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National foreign trade council.

*"Greater Prosperity Through Greater Foreign Trade"*

# EUROPEAN ECONOMIC ALLIANCES

## A Compilation of Information on International Commercial Policies After the European War and Their Effect Upon the Foreign Trade of the United States

ALSO AN ANALYSIS OF EUROPEAN AND UNITED STATES COMMERCIAL INTER-DEPENDENCE AND TREATY RELATIONS

Complied Under the Direction of the
Secretary of the
NATIONAL FOREIGN TRADE COUNCIL
INDIA HOUSE, HANOVER SQUARE
New York City

*October, 1916*
(Second Edition)

# NATIONAL FOREIGN TRADE COUNCIL

The first National Foreign Trade Convention at Washington, May 27-28, 1914, recognized the need of an organization which should "endeavor to co-ordinate the foreign trade activities of the nation," and authorized the creation of the National Foreign Trade Council for that purpose.

The Council has an authorized maximum membership of fifty merchants, manufacturers, farmers, railroad and steamship men and bankers, representing all sections of the United States and collectively standing for the general interest of all elements engaged in foreign trade.

Non-political and non-partisan, its function is investigatory and advisory, and it seeks effectively to co-operate with other organizations in the encouragement of sound national foreign trade policy. Through its committees the Council is constantly investigating, and from time to time publicly reports upon problems arising in oversea commerce.

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Office of Council, India House, Hanover Square, New York City

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*International trade is a Colossus standing with one foot on Necessity and the other on Convenience*

## EDITORIAL NOTE

THIS pamphlet is designed to be expository rather than argumentative. Its purpose is to bring, in convenient form, to all Americans the essential information concerning changing European commercial policies. It has been compiled as a part of the National Foreign Trade Council's function of investigation of problems arising in foreign trade. No recommendations are included, the Council not having acted upon the issues involved except insofar as they suggest the necessity of the tariff system including adequate resources for the encouragement of the foreign trade and its safeguarding from discrimination.

As this work goes to press Roumania entered the war on the side of the Entente Allies, but has not yet formally become party to the Economic Alliance.

# INTRODUCTION

The purpose of this work is to give available and pertinent information upon:

(*a*) Changes in European commercial policy brought about by the war;

(*b*) Their effect upon the foreign trade of the United States.

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THE Economic Alliance of the Entente Powers, agreed upon at the Paris Economic Conference, June 14-17, 1916, and the discussion of a similar alliance among the Central Powers reveal a disposition to substitute a system of trade preferences for the most-favored-nation relation upon which the commercial intercourse of Europe rested prior to the war. This relationship dominated the commerce of the world, into which, by virtue of its most-favored-nation treaty relations with the great commercial and industrial nations, the United States fitted to the great advantage, profit and prosperity of the American people.

A significant political and commercial grouping has occurred among the neutrals Denmark, Norway and Sweden, who have, at least informally, invited the collaboration of the United States in the common interest of all neutrals during the war. They have also discussed the necessity of common action after the war.

The question with which the National Foreign Trade Council, as a body created to study, in a non-political and non-partisan manner, problems arising in foreign commerce and to encourage the development of a sound national foreign trade policy, is concerned, is the effect upon the United States of inevitable readjustments of policy.

Some authorities contend that the commercial preferences implied in the Paris resolutions are impractical, that they will flatten under pressure of the commercial dependence of European nations upon each other, including their enemies. This may be true of the distant future, but the present fact is that two European economic alliances *already* have been created, for the war abrogated the most-favored-nation relation between the powers which are now enemies. Commercial intercourse between them is forbidden and prevented by arms. The Paris resolutions relate to economic policy during

the war, during the "reconstruction period" and to permanent policy after the war. With the first-named, in which the blacklist figures, it is not the province of this pamphlet to deal.

## Measures After War

The Paris resolutions declare: "The Allies agree that the benefit of this treatment (most-favored-nation) will not be granted to those (enemy) powers during a number of years to be fixed by mutual agreement."

How far will "war after war" obtain?

Since the United States, in the last normal year before the war, (1913) sent 77.61 per cent. of its exports to the belligerent countries and their colonies, and derived from them 72.83 per cent. of its imports, any sweeping change of tariff, navigation or financial policy on the part of either group of Allies, and particularly upon the part of the Entente Allies, may seriously affect the domestic prosperity of the United States, in which foreign trade is a vital element. To British countries alone went half the total value of United States exports and from them were derived one-third the imports. The excess of exports over imports in the two fiscal years ended June 30, 1916 (22 months of which were occupied by war) gave the United States a favorable trade balance of $3,230,133,362. Since the European governments were unable to pay for these purchases in merchandise, they have surrendered gold until the gold reserve in the United States has far exceeded all records and supports a structure of domestic and foreign credit unprecedented in the world's history.

The recovery of a portion of this gold reserve is essential to the restoration of European prosperity after the war, and this would logically seem to be one effect of the economic alliances now being devised and the plans being laid for a more intensive competition which will bring back the trade which, by the curtailment of European production and competition, has given American merchandise a greater access to European markets and a larger share of the trade of neutral countries. A violent reversal of the flow of gold would rudely disturb the structure of domestic bank credits reared upon it. The primary safeguard must be a stimulation of exports of the merchandise required in peace to take the place of the abnormal demand and prices for munitions and an abnormal export of other articles. A diminution of our present inflated export trade is inevitable, but the danger is that European co-operation and trade preferences may be

carried so far as artificially to restrain American foreign trade and carry it below our normal equity in world commerce.

The economic deterrent to such a result is the usefulness and value of the United States as a source of supply to and customer of the nations of both alliances. But it is yet impossible to perceive the relative weight of economics and real or fancied political expediency in the formulation of post-bellum commercial policies.

At the present moment the Paris resolutions present the thought of the Entente Allies in rather more specific form than is given the intention of the Central Powers in discussion of a "Mittel Europa." * It will be noted that the Paris resolutions were based upon the premise "that the Central Powers are preparing today, in concert with their allies, a struggle in the economical domain which will not only survive the establishment of peace, but at that very moment will assume all its amplitude and all its intensity."

Within the Entente group the Russo-Japanese treaty of alliance signed July 3, while political in terms, is the capstone on a joint policy of commercial co-operation in the Far East, given greater trade significance by Japan's vast war exports to Russia.

## Possible Effect Upon the United States

The foreign and domestic commerce of the United States for a century has increased in a world of relaxing trade restrictions. The increased influence of the United States in commerce, banking and shipping, accompanying the nation's transition from debtor to creditor, is the outstanding economic development of the war. Yet the United States is not mentioned in the resolutions, and neutrals only vaguely.

The permanent policy, toward which the Paris Conference looked, provided that the Allies "may, for example, have recourse to either enterprises subsidized and directed or controlled by the governments themselves, or to the granting of financial assistance for the encouragement of scientific and technical research and the development of national industries and resources, *or to customs duty or prohibitions of temporary or permanent character or to a combination of these different methods.*" An immediate result was announced in the following news despatch:

> "London, August 1.—The government will ask Parliament to sanction immediate subsidy of £50,000 (about $250,000) yearly for a decade to the newly formed British and Italian Trading Corporation. Reginald McKenna, Chancellor of the Exchequer,

* See chapter "Economic Alliance of Central Powers," p. 38.

announced this in the House of Commons. The corporation, which has a capital of £1,000,000, subscribed privately by banks, is for the purpose of assisting trade and commerce between Great Britain and Italy."

The permanent policy furthermore provides that "in order to permit the interchange of their products, the Allies undertake to adopt measures facilitating mutual trade relations, both by the establishment of direct and rapid land and sea transport service at low rates, and by the extension and improvement of postal, telegraphic and other communications." The foregoing, while qualified by a declaration that the joint policy shall "have regard to the principles which govern the economic policy of each country," obviously opens the way for preferential tariffs and possible departure from that most-favored-nation relation that exists throughout the world as regards shipping. Most nations now permit, except in certain coastwise commerce, the vessels of others to come and go on a basis of equality with their own.

*If the members of either the Entente or the Central Economic Alliance seek by differential tariff duties to prefer each other and their respective colonies, a discrimination against the products of the United States will automatically be created.*

*If special shipping arrangements are carried so far as artificially to create lower rates for Allied than for neutral commerce, the parity of ocean freight charges to and from American ports as compared with to and from European ports, which has been one cause of toleration of American dependence upon foreign carriers, will be disturbed.*

Whatever may be the result of the resolutions, evidence abounds that manufacturing enterprise in the Allied countries looks forward to preferential advantages in those countries which have shared the burdens of war. For instance, a co-operative export association has been formed in Canada, in the expectation that Canada will have unprecedented opportunities to secure a large volume of business from other portions of the British Empire, as well as from the other Allied countries and that "the products of Canada will be preferred against the products of her great neutral competitor, the United States, who has stayed outside of the war, and has borne no part in the great sacrifice of life and money made by the Allied countries."

The tables on pages 84, 85 show that the United Kingdom derives from the United States 17.62 per cent. of the foodstuffs it consumes as compared with 25.68 per cent. from countries of the British Empire, 8.83 per cent. from the Central Powers, and 56.70 per cent.

from others, including, of course, Russia and Argentina. Now any reversion to the Chamberlain policy must mean, if it means anything, that the United Kingdom and the other Allies will seek to draw a greater proportion of foodstuffs from the Empire, and presumably from Russia, than from the United States. Where, then, will the United States' surplus crop be sold if the policy is designed to supply the allied food needs only from allied countries? The same is true of raw materials for manufactures. Under such conditions how will the United States, in whose exports foodstuffs and raw materials predominate, pay for purchases of manufactured goods from the Entente Allies? Will the American foodstuffs and raw materials then naturally be diverted to the Central Powers, thus creating a credit which Germany and Austria will find it easy to liquidate in manufactures exported to the United States?

What are the resources of the United States for any such fierce semi-political competition as the adoption of such a policy will usher in? Possession of vast natural wealth is an asset, but the one objective of any European policy, one purpose of which is permanently to keep the lead in foreign markets, might be to permit the Allies in some manner to:

1. Develop within the alliance all possible sources of raw materials;

2. Purchase as cheaply as possible, through co-operative buying, raw materials not available within the alliance;

3. Create, through tariff or shipping concessions or by subsidy-stimulation of export enterprise, a preference for allied manufactures over American manufactures in allied and neutral markets.

## Preferences With Neutral Markets

With a tariff the United Kingdom will be in a position to claim concessions in neutral markets in return for continued free or favorable admission to the vast market of the British Isles. Latin-American countries enjoying free trade in the United Kingdom now have, as in the United States, little or nothing to gain from negotiation, but if the British Government and similarly other European governments, should demand tariff concessions for their manufactures entering Latin-American countries, as the price of favorable treatment of Latin-American products, a serious obstacle would confront the ambition of the United States more largely to supply Latin-American needs in manufactured merchandise.

Of course, the European need of cheap foodstuffs and raw

materials is a deterrent to the tariff taxation necessarily the basis for such reciprocity overtures.

## Tariff Preferences Imply Ability to Negotiate

Will either the Entente or Central Economic Alliance continue to grant what really amounts to most-favored-nation treatment † to the products of the United States? In other words, assuming the adoption of a tariff * [for revenue or protection] in the United Kingdom, will the United Kingdom, France and Russia give the United States the same tariff treatment that they extend to each other and to their colonies, receiving in return no more favorable treatment than the United States accords German and Austrian products? Or will they make the price of a favorable entry into their own markets an exclusive concession under the American tariff? The same query applies to any economic alliance of the Central Powers.

## New American Resources for Retaliation

Appreciation of the necessity for retaliatory weapons if the majority of the great industrial nations should embark upon a policy of trade preferences and discriminations, is indicated in recent American legislation. The Administration Shipping Bill provides for the regulation of rates of all vessels, foreign as well as American, touching at American ports. The bill provides that the United States Shipping Board may disapprove, cancel or modify any agreement which it finds to be unjustly discriminatory "as between exporters from the United States and their foreign competitors, or to operate to the detriment of the commerce of the United States." The bill also gives the Shipping Board power to refuse clearance to any vessel refusing to take goods from firms blacklisted by any government.

The General Revenue Bill has a stringent anti-dumping provision rendering unlawful importation at a price substantially less than the actual market value or wholesale price in the countries of origin when imported or sold in the United States with the intent of de-

*"There was no more hardened free trader than he," said Premier Asquith, "but no one could be blind to the fact that this war, with its upheaval of social, political and industrial conditions, suggested new problems and modifications in the solution of all problems."

† While certain nations extend to others tariff concessions not accorded the United States, the discrimination (except the preference given United Kingdom products by certain British Colonies) does not affect a large amount of American commerce, nor has it impeded the growth of foreign trade. Therefore, although it may be technically true that in some cases the United States gets only such concessions as are provided in treaties, the effect of the relation is that of the most-favored-nation, and this term is here used broadly to indicate the comparative equality of treatment hitherto accorded the products of the United States under foreign tariffs. This is probably due to the fact that foodstuffs and raw materials rather than competitive manufactures have predominated in export to Europe.

stroying or injuring an industry in the United States, or of preventing the establishment of an industry. Another "unfair competition" section of the same act imposes a double duty surtax upon any article imported under an agreement that the importer or any other person shall not use, purchase or deal in the articles of any other person, but the legitimate operation of exclusive agencies is exempted.

When the Revenue Bill came before the Senate it was amended by provisions empowering the President during any war in which the United States is not engaged to refuse clearance to United States or foreign vessels discriminating against American citizens or commerce, and to deny clearance to vessels of foreign belligerents which deny American citizens or commerce the same privileges accorded other countries. This was frankly directed against the British blacklist. Also, when American products are prohibited or restricted in entry into a belligerent country, the President was empowered to prohibit or restrict the entry of similar products from such belligerent; or if similar articles be not imported, such other articles as he deems necessary in the public interest.

The three provisions above enumerated are "enabling legislation" rather than mandatory legislation, for they vest discretion in the President.

Neither high nor low protectionists, nor revenue tariff advocates, will deny that the present American tariff is not a bargaining tariff, although it provides that the President, for the encouragement of foreign trade and other purposes, may negotiate commercial agreements, subject to the approval of Congress. The duties on manufactures were placed as low as radical prudence permitted and for purely domestic reasons, related to the cost of living, so many natural products and raw materials were free-listed that upwards of 60 per cent. of the total value of all imports now enter the United States duty free. Ninety-five per cent. of the imports from South America are already on the free list, and with exception of Cuba, the same proportion of imports from Central America; while 90 per cent. of the imports from Africa, 97 per cent. of those from Oceania and 79 per cent. of those from Asia pass our customs houses without yielding a cent of duty. The countries in these rapidly developing parts of the world have little to gain from negotiation with the United States, and since Europe is also a heavy customer and a source of capital they are doubly disinclined to accord the United States a concession not equally extended to Europe. The American

tariff law is, therefore, in its present form, practically barren of resources either for concession or retaliation; but in fairness it should be said that when the law was enacted, the foreign trade of the United States presented no such need for negotiation as promises to arise after the war. Its authors evidently contemplated future changes, for the law gave the President authority to negotiate commercial agreements "for the purpose of readjusting the present duties and, at the same time, to encourage the export trade."

## Difficulties of Treaty Making

Immediately the war ends, a period of commercial treaty readjustment will begin. More treaty making will be in progress in the five years after the declaration of peace than in any similar period of the world's history. The most-favored-nation relation which the European governments have permitted the United States to enjoy, despite frequent American tariff changes and the extension of American tariff preferences to Cuba and to the colonies acquired from Spain, may not easily escape jeopardy. Many of the treaties between the United States and European governments are ancient, with obsolete phraseology out of tune with modern expression of a new treaty system.

Even with no European disposition to discriminate, certain changes in these treaties will be inevitable if only to bring their provisions into harmony with the new agreements.

This renders highly important the United States treaty-making power. Their parliamentary system gives European governments a superior efficiency in treaty making as compared with the United States, where the treaties are negotiated by the Executive, subject to the ratification of the Senate by a two-thirds vote; and, in the case of agreements affecting the revenues, he must obtain the approval of the House of Representatives. The history of commercial treaties in the United States is marked by frequent senatorial disregard of the recommendations of the State Department. The Dingley Act provided that the President might negotiate reciprocity treaties for the encouragement of American foreign commerce. He did so. The Senate declined to act upon them.

The State Department now lacks, but should immediately provide, skilled resources for study of the entire treaty situation. The education of American public opinion upon treaty legislation is necessary. The necessity of a two-thirds Senate vote for ratification requires that treaties hereafter be so drawn as to command general

approval, a difficult task which can be accomplished only by the most careful consultation of public opinion prior to negotiation, the most skillful handling of the American case in the exchanges, and convincing presentation of the facts to the public in order to command sentiment in favor of ratification and maintenance of the treaty obligation afterward.

## Flexible American Tariff Desirable

To meet the conditions created by the possibility that European Economic Alliance on the part of either the Entente or Central Powers, might create discriminations against American trade, the National Foreign Trade Council at its Third Annual Meeting in New York, September 21, 1916, declared that the United States tariff system "whatever be its underlying principle," should "possess adequate resources for the encouragement of the foreign trade of the United States by commercial treaties or agreements or executive concessions within defined limits, and its protection from undue discrimination in the markets of the world." The Council declared its desire to co-operate with the government and the United States Tariff Commission, when organized, and with other organizations in the interest of "a better public understanding of the foreign trade aspect of the tariff problem."

(See text of Resolution in Appendix "A".)

## Co-operation in Foreign Trade

Even before the war American producers of raw material and manufactures were obliged to cope with combinations of foreign rivals organized to resist American competition and often to sell to combinations of foreign buyers equipped to depress the prices of American products. Under the anti-trust laws business men have doubted the legality of meeting foreign combinations with American co-operation designed to prevent American producers being played against each other by the foreign purchasing syndicates. Exporters have hesitated to pool their resources for greater economy and efficiency in selling American manufactures beyond the seas. The co-operation of both exporters and importers is not only permitted but encouraged by European governments. Particularly in Germany, the mobilization of financial, manufacturing, transportation and diplomatic resources behind the German salesman pioneering in a foreign market, has been an accepted policy, and the tendency of other countries to a similar policy is one of the interesting develop-

ments of the war. In a report endorsing the Webb Bill which authorizes co-operation among exporters, the Committee on Co-operation in Foreign Trade of the National Foreign Trade Council thus predicted an era of unprecedented competition in world markets after the war:

"Europe's accustomed instrument for these activities will be co-operative effort beginning with cartels and trade associations of producers, manufacturers, exporters and bankers, reinforced by the State, and, unless the discussions with which industrial Europe now vibrates shall fail, supplemented by economic alliances succeeding the war alliance now in force. The liberty which rivals and customers of American exporters have enjoyed to co-operate has produced highly organized selling organizations constituting the apex of a wedge forced by mobilized industrial, transportation and governmental resources into foreign markets. Continuation of the present conditions spells European industrial and governmental co-operation versus American compelled competition."

The complete freedom of American exporters to combine to meet every exigency created by co-operation of their competitors and customers is, therefore, a necessary step in a national effort to retain and extend foreign trade in order that the labor employed and the capital invested in production for foreign markets shall not suffer.

The recommendation of the First National Foreign Trade Convention is given greater point by the European Economic Alliances:

"We urge Congress to take such action as will facilitate the development of American export trade by removing such disadvantages as may be now imposed by our anti-trust laws, to the end that American exporters, while selling the products of American workmen and American enterprise abroad, and in competition with other nations in the markets of the world, may be free to utilize all the advantages of co-operative action in coping with combinations of foreign rivals, united to resist American competition and combinations of foreign buyers equipped to depress the prices of American goods."

## Resources of the Alliances

Broadly speaking, the Allied group consists of the United Kingdom, France, Belgium and Italy as manufacturing nations, Russia and the British Colonies as producers of raw materials (not largely exporting manufactures), and the United Kingdom itself as the greatest shipping, banking and foreign-investing, as well as a great manufacturing nation. In the Central group Germany is predominantly a manufacturing country, but also a producer of certain vital raw materials, such as potash and dye stuffs, and is likewise a first-class maritime power. Austria-Hungary supplements Germany's industry with large agricultural and natural resources.

It is inconceivable that either group will impose upon any great amount of competitive manufactured merchandise any restriction which will enhance the price to American consumers. More probably they will resort to dumping.

The following extracts from the resolutions indicate that it is in the domain of raw materials that the Allied group will seek an advantage:

"The Allies declare themselves agreed to conserve for the Allied countries, before all others, their natural resources during the whole period of commercial, industrial, agricultural and maritime reconstruction, and for this purpose they undertake to establish special arrangements to facilitate the interchange of those resources."

The self-sufficiency of the Allied group is the logical goal of this agreement, precisely as British Imperial self-sufficiency was the goal of the Chamberlain policy which contemplated a United Kingdom tariff preference to colonial food stuffs and raw materials in return for a colonial preference to British manufactures. Leaving aside the problem whether the United Kingdom will consent to a tax on food, the question is whether such a policy, adopted by all the Allied group, would deprive the United States of any of its present outlet for foodstuffs or raw materials. The united colonial and Russian production of foodstuffs and raw materials was not equal to the antebellum necessities of the Allies. Would a preference stimulate production to the point of self-sufficiency? If the Allies were obliged still to depend partly on their own raw materials admitted to the consuming Allied countries at a lower tariff rate than those of neutral or enemy origin, would not the price of both find a common level? If so, where would lie the advantage?

It should not be forgotten that the predominance of the British Empire in the trade of the world is largely due to the worldwide distribution of the United Kingdom's sources of supply of raw materials, which brings laden vessels from all parts of the world to the United Kingdom ready to carry back to the same or to other sources of supply British manufactures and coal.

# EVOLUTION OF EUROPEAN COMMERCIAL POLICY, 1815-1915 *

The resolutions adopted by the so-called Economic Conference of the Allies in Paris represent a conscious return to mercantile ideas of earlier centuries in an extreme form made possible only by the feeling aroused by the War. Despite the revival in the last four decades of the philosophy of trade known as "mercantilism," no one a few years ago would have believed that such an extreme application of its principles could in these days be consciously attempted by the responsible statesmen of the most advanced nations of Europe. In the Middle Ages, the commercial unit was the town, and each town felt its own welfare jeopardized by the welfare of any neighboring town. Trade was supposed to involve a conflict of interests between rival municipalities, and all kinds of regulations were adopted by each town for the protection of its own citizens and also to hamper the free enterprise of the citizens of other towns. When the commercial unit widened from the town to the nation, a similar idea of international rivalry prevailed. The function of the statesman was supposed to be to increase the power and wealth of his own people at the expense of the power and wealth of other peoples. The object of such a policy was not primarily absolute wealth and comfort, but relative wealth and comfort in comparison with other nations.

## Commercial Power—Political Power

Furthermore, the ideal of this period cannot be understood without recognizing the close connection which existed between the idea of commercial power and the idea of political power. The prestige and relative power of a nation among others was the goal. Commercial prosperity was considered the back-bone of the whole political power, and all political forces were in turn to be used to expand the commercial enterprise of the nation. At the end of the Fifteenth Century a popular rhymed pamphlet appeared in England, entitled "Libelle of Englishe Policye," which took as its motto the phrase: *"Anglia propter tuas lanas et naves, omina regna te salutare deberent,*—England, on account of your sheep and your

* This treatise on the evolution of European commercial policy was prepared by an exceptionally qualified American economist.

ships, all nations should salute you." The pamphlet goes on to lament the flourishing trade of the Dutch, Spaniards and others, and urges action on the part of the government which will drive such commerce from the seas and supplant it by English commerce instead. The method adopted throughout this long period included import duties and prohibitions, export duties and prohibitions, bounties on imports or exports, navigation laws, special treaties with other powers, all the arts of diplomacy, and finally wars for the establishment of trade supremacy.

In the early period, for instance, when the export of raw wool was the basis of England's power in foreign trade, bounties were granted on the export of this article. Later, as the woolen industry developed in England, and cloth became the chief export, the prohibition of wool export and a bounty on cloth followed. The jealousy of Dutch commerce in the Seventeenth Century led to the Navigation Laws of 1651 under Cromwell and of 1662 under Charles Second, which were designed to destroy the carrying trade of the Dutch. However much the Puritan and the Stewart differed in other regards, they were united in this policy, which ultimately culminated in the war with Holland at the close of the century, and the destruction of Dutch supremacy on the sea.

Throughout the Seventeenth and Eighteenth Centuries the struggle continued, and the commercial rivalry for new trade routes, and new sources of supply and new markets, led to a succession of wars which culminated in the final great struggle between England and Napoleon. It was because he recognized that the great danger to his own power lay in England's control of the sea, and her preeminence in foreign trade, that Napoleon attempted to destroy this commercial domination by the Berlin and Milan Decrees, following the vigorous Orders in Council of the English Government, which aimed to destroy all trade with territories controlled by Napoleon.

## Adam Smith

In the meantime, a new philosophy of trade had been advanced, and was rapidly winning a hearing among thoughtful business men and responsible statesmen. This was the new doctrine, formulated by Adam Smith, that the interests of nations in trade matters are not antagonistic but harmonious, and that the prosperity of each country will be advanced by allowing the freest enterprise in others, and the freest intercourse between all nations. Such seed fell on fertile ground at the close of the Napoleonic Era, when the

nations were nearly exhausted by the struggles through which they had passed. It grew so rapidly in England, that the belief now prevailed among political economists, and business men as well, that a new truth applicable to all times and conditions had been discovered which was ultimately bound to prevail among all civilized nations. It was not, however, until 1846 that the English Corn Laws were finally repealed. In the previous years, the prohibition of the export of machinery had been removed, and it was not until 1849 that the restrictive navigation laws were repealed. The position of England at this time, as the workshop of the world, made it easy for English merchants and manufacturers to accept these principles, but the doctrine was in the air, and the next thirty years represent the nearest approach to free trade in modern times, which the world has seen. The famous Cobden Treaty of 1860 between England and France was a landmark in this direction. It will be recalled that our own low tariff period was between 1846 and 1860.

## Effect of German Protectionism

Toward the end of the '70s, a partial reaction toward protectionism began. The lead was taken by Germany, with the beginning of her great industrial revival after the Franco-Prussian War. Most of the other great nations, except England, were influenced by the same movement. Gradually doubts began to arise all along the line as to the adequacy of the English theory in view of new trade and industrial rivalries which were beginning. As Germany, France and the United States became great manufacturing nations, competing with England, it no longer seemed so evident that the commercial relations of nations are always harmonious, rather than antagonistic. A Neo-Mercantilism arose, broader in spirit than that of earlier centuries, but based upon the principle that a national policy is necessary for the assistance or protection of one's own citizens in competition with the merchants or producers of other countries. The reason for this is to be found primarily in the enormous growth in population that had taken place in three-quarters of a century. This growth, in turn, of course, had obviously been the result of tremendous improvements in production, known as the Industrial Revolution. It became apparent that the world was no longer big enough for the indefinite expansion of all the rival races, and that the struggle for markets and for colonies, essential to an indefinite increase of numbers, must involve a clash of political and commercial interests. It was natural that this new

philosophy should find its leaders in Germany, whose area was definitely circumscribed, while her population was increasing by leaps and bounds. It was not long, however, before it found strong expression in England, and the new ideas came to be adopted by a great party under the lead of Mr. Chamberlain. Even the Liberals, while holding strictly to the doctrine of free trade for England, and giving no encouragement to the idea of special tariff concessions to the colonies, were glad to have the colonies extend such preferential rates to the Mother Country, and were quick to give up entirely their old colonial ideas. A part of the old free trade doctrine had been that the colonies were of no benefit to the Mother Country, and would naturally sever their political tie when strong enough to go it alone, and that this would be an advantage to all concerned. Such ideas have, indeed, gone completely by the board. The continuance of England as a power of the first rank is now recognized by all parties to be bound up in the continuance of the empire as a political unit. This increase of imperialistic feeling is simply the British expression of the Neo-Mercantilism which has everywhere come to the front.

In the meantime a very interesting development of ideas took place in Germany beginning with an address by Professor Oldenburg in 1897 and lasting to the outbreak. This took the form of a heated debate as to whether Germany should follow the road of England and become a purely commercial-industrial state, or whether for social and political reasons she should maintain her self-sufficiency in agricultural, mineral and forest resources even at the expense of higher prices and some loss of expansion in foreign trade. The latter object demanded some interference with the natural course of trade, and higher protection to agriculture. This policy prevailed, and if it caused hardship in times of peace, it proved of vital importance when German foreign commerce was destroyed by war.

## Most-Favored-Nation Relation

Despite this change in general philosophical attitude, the actual expression of it, so far as tariff or other regulations were concerned, has been surprisingly moderate. To be sure, there has been a tendency in Europe towards an increase of tariffs, both for the protection of agriculture and for the protection of manufactures. On the other hand, the actual tariff rates for Europe as a whole have been determined mostly by the great net-work of commercial treaties

between the different countries. Especially noteworthy is the influence of what has been called the European interpretation of the most-favored-nation clause. Most of these countries have treaties under which each must grant most-favored-nation treatment to the other, and this means that a reduction in duties granted to one country is automatically extended to all other countries with whom such treaties exist. The result is that the lowest rate in any treaty becomes, with some exceptions, the rate extended to all countries. This interpretation has greatly modified the actual results of the protectionist reaction. Furthermore, there has been practically no effort to return to the earlier harsh measures of the navigation laws, and the like. It is in the light of these facts that the fundamental proposition of the Paris Conference that most-favored-nation treatment shall not be granted to the Central Powers after the War becomes so significant.

Furthermore one of the recommendations for the period of reconstruction after the war is for the exclusion of "Enemy Subjects" from "industries or professions which concern national defence or economic independence." Only recently it has been suggested in England that Germans be excluded from business in that country for a period of twenty years. The striking fact here is that the concept of "enemy nations" is not to cease with the termination of the war but is to continue indefinitely. Even in times of peace some nations are to be consciously recognized as the natural commercial enemies of others. Obviously this is not a mere extension of the movement which had started before the war, but a return to the fierce doctrine of innate hostility which characterized the fifteenth, sixteenth and seventeenth centuries. In the face of such an attitude it is futile to say, as some economists do, that this is simply a substitution of passion for reason, a blind return to medievalism. That the passionate feeling of the war is an essential element in the change was stated above, but the war and the sentiments it has evoked are realities as much to be reckoned with as any so-called law of economics. It is commonly said that new conditions demand new policies. It is equally true that a return to old conditions means a revival of old policies. The conditions of international commercial rivalry of the twentieth century are more like those of the seventeenth than of the nineteenth century. Commercial power and political power again go hand in hand. No process of reasoning will remove a people's pride in maintaining a place of honor and power in the world's affairs. And to-day the people of both belig-

erent groups are convinced that their own prestige and importance are threatened by the commercial predominance of their opponents. Under the influence of such sentiments extreme forms of expression and overweaning declarations of policy are inevitable. Even if extreme they are a logical result. The stage is set and the drama develops relentlessly. If either side is convinced that its own immediate wealth or comfort is an inferior goal to the suppression of the prosperity of a rival, it no longer suffices to attack a policy on the mere ground of a temporary economic loss. Two questions naturally arise. The first is whether actually the spirit of hostility and the sense of national danger will survive,—that is, whether the political factor will outweigh the economic factor. The second is whether either the economic or the political interests of such diverse countries as Russia, Japan, France and the British Empire will remain sufficiently united to stand the strain of such an extreme policy as that declared in Paris. Such questions, however, are for consideration elsewhere than in the section which aims merely to show the problem in its proper historical perspective.

# PARIS CONFERENCE RESOLUTIONS

The United States Senate on June 29, 1916, adopted a resolution requesting the President to transmit exact information as to "The precise character, form and full purpose" of the agreement reached at the Economic Conference of the Entente Allies. The President, on June 10, sent to the Senate the following report from the American Embassy at Paris to the Secretary of State:

[No. 3311.]

PARIS, June 22, 1916.

The HON. SECRETARY OF STATE, Washington.

*Sir:* In confirmation of my telegram, No. 1449, of the 20th inst., I have the honor to inclose herewith, in copy and translation, the recommendations of the Economic Conference of the Allies which sat in Paris on the 14th, 15th, 16th and 17th of June, 1916, together with a list of the names of the delegates from the various countries represented.

These recommendations apply to two separate periods—the period of the duration of the war and the period of reconstruction after the termination of hostilities.

For the first period the recommendations have reference to measures for the prohibition of trade with the enemy countries and for the elimination of the enemy firms in the allied countries.

For the second period the measures adopted are designed to give the allied countries a prior claim on their own natural resources and to prevent the dumping of merchandise of enemy manufacture or origin.

The commission also recommended permanent economic measures for rendering the allied countries economically, industrially and agriculturally independent and for encouraging trade relations between the allied countries by the improvement of shipping, telegraphic and postal facilities.

I have the honor to be, sir,

Your obedient servant,

ROBERT WOODS BLISS,
(For the Ambassador).

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[Translation.]

ECONOMIC CONFERENCE OF THE ALLIED GOVERNMENTS.

The representatives of the allied Governments have met in Paris, Mr. Clementel, Minister of Commerce, presiding, on the 14th, 15th, 16th and 17th of June, 1916, for the purpose of fulfilling the mandate which was confided to them by the conference of Paris on March 28, 1916, to put into practice their solidarity of views and interests and to propose to their respective Governments suitable measures for realizing this solidarity.

They perceive that the central powers of Europe, after having imposed upon them their military struggle in spite of all their efforts to avoid the con-

flict, are preparing today, in concert with their allies, a struggle in the economical domain which will not only survive the re-establishment of peace, but at that very moment will assume all its amplitude and all its intensity.

They cannot in consequence conceal from themselves that the agreement which is being prepared for this purpose amongst their enemies has for its evident object the establishment of their domination over the production and the markets of the whole world and to impose upon the other countries an inacceptable hegemony.

In the face of such a grave danger the representatives of the allied Governments consider that it is their duty, on the grounds of necessary and legitimate defense, to take and realize from now onward all the measures requisite on the one hand to secure for themselves and the whole of the markets of neutral countries full economic independence and respect for sound commercial practice, and on the other to facilitate the organization on a permanent basis of this economic alliance. For this purpose the representatives of the allied Governments have decided to submit for the approval of their Governments the following resolutions:

## A

### Measures for War Period

#### I

Laws and regulations prohibiting trading with the enemy shall be brought into accord for this purpose:

A. The allies will prohibit their own subjects and citizens and all persons residing in their territories from carrying on any trade with the inhabitants of enemy countries of whatever nationality, or with enemy subjects, wherever resident, persons, firms and companies whose business is controlled wholly or partially by enemy subjects or subject to enemy influence, whose names will be included in a special list.

B. The allies will also prohibit importation into their territories of all goods originating or coming from enemy countries.

C. The allies will further devise means of establishing a system of enabling contracts entered into with enemy subjects and injurious to national interests to be canceled unconditionally.

#### II

Business undertakings, owned or operated by enemy subjects in the territories of the allies, are all to be sequestrated or placed under control. Measures will be taken for the purpose of winding up some of these undertakings and realizing the assets, the proceeds of such realizations remaining sequestrated or under control. In addition, by export prohibitions, which are necessitated by the internal situation of each of the allied countries, the allies will complete the measures already taken for the restriction of enemy supplies both in the mother countries and the dominions, colonies and protectorates:

1. By unifying lists of contraband and export prohibition, particularly by prohibiting the export of all commodities declared absolute or conditional contraband.

2. By making the grant of licenses to export to neutral countries, from

which export to the enemy territories might take place, conditional upon the existence in such countries of control organizations approved by the allies, or in the absence of such organizations, upon special guaranties, such as the limitation of the quantities to be exported, and supervision by allied consular officers, etc.

B

TRANSITORY MEASURES FOR THE PERIOD OF THE COMMERCIAL, INDUSTRIAL, AGRICULTURAL AND MARITIME RECONSTRUCTION OF THE ALLIED COUNTRIES

I

The allies declare their common determination to insure the re-establishment of the countries suffering from acts of destruction, spoliation and unjust requisition, and they decide to join in devising means to secure the restoration to those countries, as a prior claim, of their raw materials—industrials, agricultural plant and stock—and mercantile fleet, or to assist them to re-equip themselves in these respects.

II

Whereas the war has put an end to all treaties of commerce between the allies and enemy powers, and it is of essential importance that during the period of economic reconstruction the liberty of none of the allies should be hampered by any claim put forward by enemy powers to most-favored-nation treatment, the allies agree that the benefit of this treatment will not be granted to those powers during a number of years to be fixed by mutual agreement among themselves.

During this number of years the allies undertake to assure each other, so far as possible, compensatory outlets for trade in case consequences detrimental to their commerce should result from the application of the undertaking referred to in the preceding clause.

III

The allies declare themselves agreed to conserve for the allied countries, before all others, their natural resources during the whole period of commercial, industrial, agricultural and maritime reconstruction, and for this purpose they undertake to establish special arrangements to facilitate the interchange of these resources.

IV

In order to defend their commerce and industry and their agriculture and navigation against economic aggression resulting from dumping or any other mode of unfair competition the allies decide to fix by agreement a period of time during which commerce with the enemy powers will be submitted to special treatment, and goods originating from their countries will be subjected either to prohibitions or to a special régime of an effective character. The allies will determine by agreement, through diplomatic channels, the special conditions to be imposed during the above-mentioned period on the ships of enemy powers.

V

The allies will devise measures, to be taken jointly or severally, for preventing enemy subjects from exercising in their territories certain industries or professions which concern national defense or economic independence.

## C

### Permanent Measures of Mutual Assistance and Collaboration Among the Allies

I

The allies decide to take the necessary steps without delay to render themselves independent of enemy countries in so far as regards raw materials and manufactured articles essential to the normal development of their economic activities. These measures will be directed to assuring the independence of the allies, not only so far as concerns sources of supply, but also as regards their financial, commercial and maritime organization. The allies will adopt such measures as seem to them most suitable for the carrying out of this resolution according to the nature of the commodities *and having regard to the principles which govern their economic policy*. They may, for example, have recourse to either enterprises subsidized and directed or controlled by the governments themselves or to the grant of financial assistance for the encouragement of scientific and technical research and the development of national industries and resources, or to customs duties or prohibitions of a temporary or permanent character, or to a combination of these different methods.

Whatever may be the methods adopted, the object aimed at by the allies is to increase the production within their territories, as a whole, to a sufficient extent to enable them to maintain and develop their economic position and independence in relation to enemy countries.

II

In order to permit the interchange of their products the allies undertake to adopt measures facilitating mutual trade relations, both by the establishment of direct and rapid land and sea transport services at low rates and by the extension and improvement of postal, telegraphic and other communications.

III

The allies undertake to convene a meeting of technical delegates to draw up measures for the assimilation, so far as may be possible, of their laws governing patents, indications of origin, and trademarks. In regard to patents, trademarks, literary and artistic copyright which come into existence during the war in enemy countries, the allies will adopt, so far as possible, an identical procedure to be applied as soon as hostilities cease. This procedure will be elaborated by the technical delegates of the allies.

## D

Whereas, for the purpose of their common defense against the enemy, the allied powers have agreed to adopt a common economic policy on the lines laid down in the resolutions which have been passed; and whereas, it is recognized that the effectiveness of this policy depends absolutely upon these resolutions being put into operation forthwith, the representatives of the allied Governments undertake to recommend that their respective Governments shall take, without delay, all the measures, whether temporary or permanent, requisite to giving full and complete effect to this policy forthwith and to

communicate to each other the decisions arrived at to attain the object.

PARIS, June 17, 1916.

Have signed these resolutions:

For France: M. E. Clementel, Secretary of Commerce and Industry; M. G. Doumergue, Secretary of the Colonies; M. M. Sembat, Secretary of Public Works; M. A. Metin, Secretary of Labor and Social Progress; M. J. Thierry, Under-Secretary of State of War (Administrative Service); M. L. Nail, Under-Secretary of State of the Navy (Mercantile Marine); M. J. Cambon, French Ambassador, General Secretary of the Board of Foreign Affairs; M. A. Masse, General Secretary of the Board of Agriculture; M. J. Branet, General Director of Customs; M. P. de Margerie, Minister plenipotentiary, Director of the Political and Commercial Department in the Board of Foreign Affairs.

For Belgium: M. de Broqueville, Chairman of the Council, Secretary of War; Baron Beyens, Secretary of Foreign Affairs; M. van de Vyvere, Secretary of Finances; Count Goblet d'Alviella, Member of the Ministerial Council.

For Italy: His Excellency M. Tittoni, Italian Ambassador in Paris; M. Daneo, Secretary of Finances.

For Japan: Baron Sakatani, former Secretary of Finances.

For Portugal: Dr. Alfonso Costa, Secretary of Finances; Dr. Augusto Soares, Secretary of Foreign Affairs.

For Russia: M. Pokrowsky, Imperial Counsellor, Privy Councillor; M. Prilejaieff, attached to the Board of Trade and Industry, Privy Councillor.

For Servia: M. Marinkovitch, Secretary of Commerce.

The following persons, who are diplomatic representatives of the allied countries in Paris, have been appointed as a permanent committee of the economic conference:

BELGIUM

M. G. Peltzer, vice-president of the Union Economique Belge.

FRANCE

M. Denys Cochin, Minister of State, president of the committee; M. Gout, Minister Plenipotentiary, Under-Secretary of the Foreign Office; Contre Admiral Amet, vice-president of the committee.

ITALY

Prince Ruspoli, Minister Plenipotentiary, Italian Embassy in Paris; Commander del Abbadessa, Assistant General Director of the Customs; Col. Brancaccio.

JAPAN

Tatsuke, Counsellor of the Japanese Embassy in Paris.

GREAT BRITAIN

Earl Granville, Counsellor of the British Embassy in Paris.

PORTUGAL

M. de Vilhena.

RUSSIA

Sevastopoulo, Counsellor of the Russian Embassy in Paris; Batcheff, Commercial Attaché at the Russian Embassy in Paris.

SERVIA

Voulovitch, deputy; Kapetanovitch, deputy.

General Secretary: Bosseront d'Anglade, Minister Plenipotentiary.

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## Interpretation by French Minister of Commerce

M. Clémentel, President of the Conference, thus explained the resolutions:

"Dumping is the favorite weapon of the Germans for acquiring commercial supremacy. It consists on the whole of measures affording bonuses for exportation, direct or otherwise; for selling inland at a higher rate than abroad, etc., with a view to ruining foreign industries.

"The Conference of Paris has provided for thwarting this policy; if the war took us by surprise, we do not intend that peace should do so, too. The Allies are the strongest from an economic point of view. They represent a population of nearly 400 millions, and dispose of the greater part of all raw materials; nickel and platina ores, aluminum (bauxite) are entirely in the Allies' hands, and 84 per cent. of manganese. As regards hemp, the Allies' production is four and a half times larger than the enemy's; as to flax, the Allies hold four-fifths of the world's production; with regard to wool, their supply is eleven times greater than that of the adversaries; in silk, eight times greater; they have the monopoly of jute, and if the neutrals share to a great extent in the production of cotton with the Allies, their adversaries are short of this commodity.

"The economic superiority of the Allies is obvious. To insure it, there never was any question at the Conference of adopting a customs policy for all; each ally will remain wholly independent. Each product will be the subject of separate negotiations between the countries interested in the matter, and an infinite variety of combinations may be made.

"Another principle of the Allied governments in the war of legitimate economic defense that they are working to wage is: not to attack anyone. The neutral nations have nothing to fear; we are working to free them. The destruction of German economic overlordship means the suppression of a danger that threatens them.

"By increasing the productive forces of the Allied countries, we render them better able than in the past to check the attempts at oppression which one nation might in the future again be guilty of, and by so doing we are working for the assurance of peace.

"Everyone knows how Article IX of the Treaty of Frankfort has become a powerful economic weapon in the hands of the Germans, thanks to its specializations permitting them to disregard it when its observance would have proved a drawback. The same clause will not occur again. The Allies are fully agreed upon this point, even Russia and Italy, with whom the Germans had fondly hoped to maintain their privileged situation; and this shows to what extent nations desire to be freed from the economic domination that was weighing upon them.

"The free disposal of raw materials is an essential factor in the economic power of a nation. Germany had in her possession foreign ores, and these she converted upon her own territory. This was the case with Australian zinc, aluminum from Provence, asbestos from Russia or Scotland. The Allies are now determined not to leave these articles, so essential to the prosperity of a nation, to others. Mr. Hughes, the Prime Minister of Australia, told me that not a grain of zinc ore should leave his country for Germany even if the latter should order double the quantity in the future to what she purchased there in the past.

"The Allies have considered the measure to be adopted in order to save their industries and manufactures from suffering through the business methods practiced by the German Empires—especially dumping. They have undertaken to subject, during a certain lapse of time which is to be fixed among themselves, all goods originating from enemy countries, to certain prohibitions or special regulations, thus enabling them to cope in an efficacious manner with any attempts at dumping. The fact that at the present time Germany is constituting, upon her own territory, large supplies of goods, mostly manufactured with raw materials from the invaded regions, makes this agreement all the more necessary. It would be an unheard of thing for the Germanic Empires, immediately after the war, to be able to raise their rate of exchange by selling to the Allies goods manufactured from raw materials which were their (the Allies') own special property."

## Participation of British Colonies

From the standpoint of future joint-policy by the Allies, the participation of Mr. W. M. Hughes, Prime Minister of Australia,

and Sir George Foster, Minister of Trade and Commerce of Canada, was significant. British contribution to any policy designed to emancipate the Allies from dependence upon enemy countries for raw materials necessarily involves the self-governing dominions of the British Empire which control their own fiscal and tariff policies and whose legislative acquiescence will be necessary to any scheme of Imperial or Ally tariff preferences, restrictions of export of raw materials or navigation discriminations.

Prior to the Conference Mr. Asquith, British Prime Minister, declared that the British representatives would have no power to commit the Government, and presumably the Colonial representatives were similarly limited. On July 12th, Mr. Asquith announced in the House of Commons at London that the British Government had approved the resolutions.

## Mr. Asquith's Explanation

In the House of Commons on August 2, Mr. Asquith said:

"There are two important points to which I would like to draw attention. The first is the declaration of the common determination of the Allies to obtain reparation for the countries occupied by the enemy. From that determination the Allies have not swerved, and in these resolutions they reaffirm it. The second is that these resolutions are in no sense aimed at neutrals. Our attention has been called to the fact that some uneasiness appears to have arisen in neutral countries, more especially in the United States of America, with regard to the resolutions of the conference, and there seems to be a feeling—I don't say it is widespread—that the resolutions might be directed at, or aimed against, neutral countries which would undergo novel and undue restrictions in the various countries whose representatives signed the resolutions. That is not the case. The resolutions contemplate only necessary measures of self-defense against economic aggression threatening the Allies' most vital interests, and in carrying them into practical effect, I need hardly say that every endeavor will be made to insure that neutrals will not suffer."

In the same debate Sir J. Simon was thus quoted by the London press:

"He warned the House of the risk of the center of the world's trade passing from this country to America, and nothing they could do would affect trade between America and Germany. If they diverted the natural course of trade, they would throw the Central Powers into the hands of the immensely powerful American com-

mercial interests. They ought, immediately the war was over, to do everything they could to restore London to the position of pre-eminence it had before the war as a center of exchange. The lesson to be learned from the war in the fiscal sphere was that direct and intended interference with trade was nothing like as important as the indirect and unintended, uncalculated, and it might be incalculable effects upon British trade which government interference might produce."

## A Colonial Expectation

Sir George Foster, Canadian Minister of Commerce, outlined a colonial view before the Royal Colonial Institute at London on June 28:

"He did not hold out the least hope in the world," according to the London *Morning Post,* "that the empire could be brought together on the basis of Free Trade. As regards our trade and commerce and our production it was essential that we should get together as soon as possible and hammer out a policy for the future. Let the Empire treat itself and its partners a little more favorably than it treated those who did not belong to its family, and let us say to others: 'We will not be unreasonable with you, but we will be just to our own.' When the war was over the nations that had banded themselves together in defence of the ideals for which they were fighting should have the duty of reconstructing the basis of their attitude towards each other so that their treatment of one another should be more favorable than that accorded to neutrals."

## Lord Bryce's View

Addressing the Congregational Union at Birmingham, England, on October 3rd, Viscount Bryce, former British Ambassador to the United States, said:

"The talk we now hear about starting, after peace has been concluded, a new war of trade to follow the war of arms has immense capacities for mischief. Such a trade war would prolong, would embitter afresh, those hatreds that ought to be allowed to die; and it assumes a continuance of those very things from which we expect our victory to deliver us once for all."

## Statement of Minister of War Trade

A cable dispatch to the Associated Press, dated London, October 6, said:

The comment in the United States concerning the possible effect of the commercial measures contemplated by the recent Paris Economic Conference

of the Entente Allies led Lord Robert Cecil, Minister of War Trade, to declare today that wholly wrong conclusions had been drawn from them and especially with regard to those conclusions attributing any attempt to exclude or discriminate against the trade of the United States with the Entente Allies after the war.

"Our relations with the New World will always be of vast importance to us," Lord Robert said to the Associated Press today, "and they take a leading place in our plans. In answer to the great calumny so often circulated, and which we indignantly repudiate, I want to say that while we are planning our measures for peace now, we pledge our honor that these plans and measures, which we are bound to take against the neutral trader with our enemies under the laws of war, have been and will be kept entirely separate.

"They are worked out in different departments. They are wholly distinct. We shall never try, what we know would be fatal to our own interests, to use any of our belligerent measures to enable us to replace neutral by British trade or stifle or impede the commercial enterprise of neutral nations."

Lord Robert did not mention the blacklist in this connection, but unquestionably he had it in mind.

"What one of the districts devastated during the war would wish to lose the opportunity to take advantage of American enterprise and capital?" asked Lord Robert. "Suppose, for instance, no question of friendship were involved. Then it resolves itself into a question of plain common sense business," he added.

Articles in American newspapers which had been called to his attention, said Lord Robert, seemed to take the ground that if the Paris measures were carried out they would discriminate against all non-Entente allied trade, and would either force the United States into preferential trade relations with Germany or into trouble with Great Britain.

"All these forecasts," said the Minister of War Trade, "are examples of the inveterate tendency to draw curious implications out of perfectly simple provisions. The provision as to the preservation of neutral resources during the period of reconstruction amounts to a provision that those among the Allies who have suffered worst from the war will have the first call on the resources of those who are richest and have suffered least. In practice this means that Belgium, northern France, Poland and Serbia will have the first call on British capital, which has been the main financial strength of the Allies and provided many of them with arms, ammunition and food, and which shall continue to be at their disposal in the work of reconstruction.

"And yet Americans who have been disposed in the past to question the efforts of Great Britain in this war actually now throw this pledge which she has given her allies in her teeth. The same kind of considerations apply in the case of the permanent proposal concerning the reciprocal exchange of products after the war. The measures here proposed are those which every nation in the world, except this country, has employed for years to protect its commerce. We have been alone, having neither a protective tariff nor a system of subsidies. Yet now we find ourselves criticised by others who always have employed tariff and other devices to stimulate their trade, as

if there were some strange departure when we propose to help our allies increase the rewards of labor in this and allied countries after the war.

"We have passed through greater straits during the last two years than any other country before in modern history. We have tremendous problems to meet. Of course, we are planning to meet them. Of course, we are going to use Government aid in helping to meet them. Of course, we are going to do what every other nation always has done. Those who try to spin suspicions out of a situation so simple surely are not facing business facts in a business spirit."

Lord Robert said he was convinced that some ideas had grown up in the United States regarding the Paris Conference which had been deliberately fostered by the Germans, who would like to have an exclusive trade agreement with the United States and "in which case they would be in a much happier position than at present."

# CARRYING THE RESOLUTIONS INTO EFFECT

## British Committee on Paris Resolutions

On July 18, 1916, was announced the appointment by the Prime Minister of the following committee to consider the recommendations of the Paris Conference:

Messrs. Arthur Balfour, Chairman.
H. Gosling.
W. A. S. Hewins, M.P.
A. H. Illingworth, M.P.
J. P. Maclay, Bart.
A. Mond, Bart., M.P.
Arthur Pease.
R. E. Prothero, M.P.
Frederick H. Smith, Bart.
G. J. Wardle, M.P.
H. Birchenough, K.C.M.G.
Lord Faringdon.
Sir C. G. Hyde.
Sir C. A. Parsons, K.C.B., F.R.S
Lord Rhondda.
G. Scoby-Smith

The Committee will, it was officially stated, determine:

a. What industries are essential to the future safety of the nation, and what steps should be taken to maintain or establish them.

b. What steps should be taken to recover home and foreign trade lost during the war, and to secure new markets.

c. To what extent and by what means the resources of the Empire should and can be developed.

d. To what extent and by what means the sources of supply within the Empire can be prevented from falling under foreign control.

High political, business and economic ability was drawn to this committee which contains both Free Traders and Tariff Reformer. Of it the *Evening Standard* said:

"Lord Balfour of Burleigh, who has had much experience as chairman of commissions, is one of the best-known Unionist Free Traders. Some years ago he was Parliamentary Secretary to the Board of Trade. Mr. Arthur Balfour is the well-known ex-Master

Cutler of Sheffield; Mr. Gosling is a member of the Port of London Authority, with special knowledge of Labor questions; Mr. Hewins, Unionist M. P. for Hereford, is an authority on economics, and secretary of the Tariff Commission; Mr. Illingworth, Liberal M. P. for the Haywood Division of Lancashire, is a prominent Bradford business man.

"Sir Joseph Maclay is a Glasgow shipowner; Sir Alfred Mond is managing director of Brunner, Mond & Co. (Limited), and other companies, and treasurer of the Free Trade Union; Mr. Pease is a Northern colliery owner; Mr. Prothero, Unionist M. P. for Oxford University, is the well-known authority on agriculture and food supply; Sir F. H. Smith is an india rubber and cotton manufacturer and colliery director in North Wales, and Mr. Wardle is Labor member for Stockport.

"Sir Henry Birchenough is a director of the British South Africa Company, and served on the Commission on Shipping Rings; Lord Faringdon (formerly Sir Alexander Henderson) is chairman of the Great Central Railway, and became a member of the Tariff Commission in 1904; Sir Clarendon Hyde, formerly Liberal M. P. for Wednesbury, is chairman of the Cannock Chase Minimum Wage Board and a partner in the firm of S. Pearson & Son (contractors); Sir Charles Parsons developed the steam turbine, and is chairman of the Parsons Marine Steam Turbine Company; Lord Rhondda, one of the New Year peers, is still better known as Mr. D. A. Thomas, managing director of the Cambrian Colliery Combine."

## British Colonial Conference

Premier Asquith in the House of Commons on July 24, said:

"The Government desires as soon as possible to convene a conference of the representatives of the United Kingdom and the dominions and India to consider the commercial policy to be adopted after the war.

"In view of the past fiscal controversies in this country, we think it essential as a prior stage, in order that the conference may have practical results, to set up a committee here to discover how far an agreement among ourselves is possible under the changed conditions brought about by the war.

"The appointment of this committee will not interfere in any way with a free and unfettered discussion of the problems with the overseas representatives."

## Subsidy for Anglo-Italian Trade

In the light of the Paris resolutions the following news despatch is of interest:

London, Tuesday. The government will ask Parliament to sanction a state subsidy of £50,000 (about $250,000) yearly for a decade to the newly formed British and Italian Trading Corporation. Reginald McKenna, Chancellor of the Exchequer, announced this in the House of Commons. The corporation, which has a capital of £1,000,000, subscribed privately by banks, is for the purpose of assisting trade and commerce between Great Britain and Italy.

## The Russo-Japanese Alliance

The *Journal* of the American Asiatic Association for October, 1916, gives the following text of the treaty signed between Russia and Japan on July 3rd:

"The Imperial Government of Japan and the Imperial Government of Russia resolve to continue their efforts for the maintenance of a lasting peace in the Far East, and have agreed upon the following:

Article 1. Japan will not be a party to any political arrangement or combination contracted against Russia. Russia will not be a party to any political arrangement or combination directed against Japan.

Article 2. In the event of the territorial rights or special interests in the Far East of one of the contracting parties recognized by the other contracting party being threatened, Japan and Russia will consult with each other on the measures to be taken with a view to support and co-operation being given to one another for the safeguarding and defence of those rights and interests."

The *Journal* adds:

"The new Convention is the natural outcome of the past relations between the Governments which have borne evidence of increasing and steady growth of the rapprochement between former enemies. In July, 1909, within two years of the conclusion of the Russo-Japanese War, a political entente was concluded in which the two Governments, desiring to consolidate the peace and good relations established by the Portsmouth treaty, entered into an agreement with a view of removing all future misunderstanding, to respect the territorial integrity of each other and all the rights arising from agreements between themselves as well as their conventions with China.

"Three years later this was followed by a second agreement, destined to develop the effect of the first convention. The two Governments agreed to mutually co-operate in the improvement of railways in Manchuria and of their connecting services, and to abstain from harmful competition. They agreed to maintain the *status quo* in Manchuria resulting from existing treaties not only between the two contracting parties, but also between the latter and China. They further pledged themselves in the event of the *status quo* being menaced jointly to concert measures for its maintenance.

* * * * * * Subsequently an understanding was arrived at between Tokio and Petrograd concerning their respective interests in the region of Mongolia contiguous to Manchuria. This treaty has never been published although its conclusion is an open secret."

# ECONOMIC ALLIANCE OF CENTRAL POWERS

The idea of a Central European commercial union between Germany, Austria-Hungary and Turkey is discussed in the German press, but no record of official action corresponding to that taken by the Entente Allies is to be found in the European press.

Friederich Naumann, a German social reformer, political leader and member of the Reichstag, in his book, "Mittel Europa," published and apparently written since the outbreak of the European war, lays down certain principles as a basis for Central European union or economic alliance. While other advocates have treated this as a new economic policy, he views the necessity as a logical consequence of the Franco-Prussian war, holding that the economic and political frontier of Central Europe was turned against France at that time, and the Eastern frontier established as a result of the Berlin Congress of 1878 and the Austria-Hungarian Alliance of 1879. He finds that Germans, Magyars, Poles, Bohemians and the other races in Germany and Austria-Hungary have not yet formed a national type, and that Central Europe therefore is still lacking development as a national unit.

He attributes Germany's economic isolation to the fact that the development of German commercial and industrial life, with its accompanying desire for group activity is strange to countries where individual effort and liberty of the individual is still regarded as the desirable aim of life. This German sentiment, Naumann holds, has entered Austria-Hungary, the economic life of which, he believes, is of German origin, but he finds that Austria-Hungary has not fully realized the German economic idea, that thousands of Austrians normally emigrate every year, and that the splendid farm lands of Hungary still produce on the average of only one-half as much wheat per acre as Germany, although Germany obtains better results with less labor.

Naumann's idea is that the industrial and trade associations of Germany and Austria-Hungary should be combined so that new Central-European associations will take their place, and better use be made of the economic forces on both sides. Closer co-operation of cartels, insurance companies, banks, etc., is to support this need.

The war, Naumann explains, has brought to Germany and to Austria-Hungary a new conception of economy, scientific socialism making great progress, and the individual right of possession sustaining considerable encroachments, until it is now certain that the ante-bellum condition will not be re-established. Municipal corporations, governmental syndicates and governmental price control have entered the economic life of Germany, and the solution of the problems created, in Naumann's opinion, may be found in the extension of the government syndicate combined with labor insurance.

He points out that the government has taken hold temporarily, and possibly permanently, of the collection and distribution of food, all of which will have an influence upon economic relations with Austria-Hungary. Increased economic activity alone will make it possible for Austria-Hungary, according to Naumann, to overcome its financial difficulties. He admits that an economic union between the two countries, while feasible, is not altogether self contained, and that larger fields for economic exploitation will be necessary to make it so; but even if those fields cannot be extended, Germany and Austria-Hungary and Turkey, whose inclusion appears to him to be desirable, might well form a powerful economic union in the centre of Europe.

He writes: "It lacks cotton, wool, cereals and animal foodstuffs, copper, iron ore, leather, coffee, rice, tobacco, wood, corn, jute, mineral oil and chemicals. It lacks more than is wanting to the British Empire and to North America, and it has not the quantity possibilities of Russia, but there is no economic unit in existence having no need for supplementary supplies, and we can collect as much as we need and store it. A population owning such stocks of coal, steel machines, enable to work as we do, would be able also to buy, to save and to economize."

The establishment of free trade between Germany and Austria-Hungary is the first necessary step, in the policy of Naumann, towards the realization of such an economic alliance, to be followed by a joint policy with regard to traffic, uniformity in taxation, which should lead to a common policy in international finance. The disinclination of Hungary for such a step, which might mean to the Magyar the surrender of part of the national independence of Hungary, is acknowledged, and Naumann does not believe that the political realization of the Central Europe idea will immediately solve the economic problem; but rather that a "Mittel-Europa" will grow economically out of the political formation.

Franz Koehler, in a book entitled "The New Triple Alliance," wrote:

"It will be the principal aim of this combination to regulate offer and demand between the individual countries according to their mutual interests and needs. So, for instance, the demand for breadstuffs satisfied until now by Russian and American imports, will have to be filled by the newly acquired Eastern countries and also by Turkey. This will lead principally to a regulation of the imports from the individual states which will have to be suited to the demand of the others. Egypt and Turkey are the only countries in this combination of states producing cotton.* Copper will be found in future to some extent in Servia and still more in Turkey. Besides copper, Turkey also will be able to supply paraffin in sufficient quantity to make the new combination independent of foreign supplies."

It is also contemplated by those who support such a scheme to turn Germany, Austria-Hungary, Turkey and Bulgaria into an economic unit, self-containing, and self-supporting, independent from the other countries.

A conference of leading commercial Associations of Germany interested in the foundation of a Central European Zollverein was held in Munich. The London *Times* Trade Supplement of July, 1916, says:

"Some fairly outspoken views on behalf of the three nations involved came out at Munich, where a joint conference was recently held of the leading commercial associations. Germany was upheld by 460 representatives, Austria by 100, and Hungary by 40.

## Austro-Hungarian Views

"Dr. Gustav Stolper (Vienna) insisted that any commercial union of the Central Empires should be accompanied by a strong political union, in view of the financial burden to be borne and the prime necessity of ensuring supplies of raw materials. For both these reasons a speedy resumption of international trade relations was, in his opinion, imperative.

"Hungary's watchfulness over her agrarian interests was voiced by Dr. Gratz, of Budapest, who stipulated that each member of the Union should undertake to fill its requirements in raw materials—

* Practically all German comment dates back several months and was based on the German hope then entertained of a return of Egypt to Turkey.

particularly agricultural—from within the Union. He alluded to the damage done to Hungarian trade in agricultural produce by German import duties. If this protection were fully maintained against outsiders, he looked forward to great developments.

"A more despondent note was struck by Professor Herkner, of Berlin. He recognized the serious financial straits Germany would be in after the war through the need for importing far more goods than it would for a long time be in a position to export. He said:

"'A system of interdependence between ourselves and our allies is impossible. A growth of one and a half milliard marks in trade within the Union would not free us from the necessity for regaining international custom amounting to eight and a half milliards. Furthermore, merely to win this back would not suffice to ease the financial burden left by the war. . . . There is no doubt that we must place the fruits of our industry in ever-increasing volume on the world's markets, and our allies will need to do the same. The idea of a self-sufficient Central European Union is fallacious.'"

# SCANDINAVIAN ECONOMIC CONFERENCE

The effect of the war upon the commerce and other interests of Sweden, Norway and Denmark has lead to a political and economic grouping of significant interest to all neutrals because it is the nearest approach to an alliance among nations not involved in, but affected by the war, and its supporters have, at least informally, invited the collaboration of the United States. At the initiative of King Gustav of Sweden, a conference of the three powers was held at Copenhagen on March 9th, 1916, and later the Prime Minister of Norway, answering an inquiry in Parliament, said:

"Every effort should be made to safeguard the independence of the Scandinavian countries in the economic struggle which will follow the war."

Further exchanges were followed by another conference at Christiania, Norway, beginning September 20th and attended by Mr. Zahle, Prime Minister, and Mr. Eric Scavenius, Foreign Minister, of Denmark; Prime Minister Hammarsksjoeld and Foreign Minister Wallenberg of Sweden; Prime Minister Gunnar Knudsen and Foreign Minister Ihlen of Norway. A special cable despatch to the New York *Times* of September 24th summarized the proceedings of the conference:

"The three countries are unanimous in their desire to maintain a loyal and impartial neutrality during the present war. The injuries to the rights and interests of neutrals inflicted by the belligerent powers, as well as the difficulties in the matter of commercial policies as affecting neutrals, were examined at great length. This examination resulted in an agreement to establish a more extensive collaboration among the three countries.

"Particular attention was devoted to the destruction or detention of neutral ships and neutral cargoes as well as the effects of the blacklists of the belligerent nations. In this connection it was agreed that with a view to facilitating the commercial policy of the three countries they should be kept informed by each other, either through the governments themselves or by competent authorities, regarding the measures which should be taken either relating to the question of this policy or to the suppression of commercial espionage in the respective countries in order to safeguard the combined commercial interests of the three nations. It was also agreed that after the war it would be necessary for the three Scandinavian nations to take measures for their continued collaboration.

"Another question which has been taken up for discussion at the conference is that of the attitude which the Scandinavian nations should observe toward certain questions touching upon the duties of neutral States and to

make dispositions for the purpose of safeguarding their neutrality. It was learned in this connection that the three countries are in complete accord regarding The Hague conventions. With regard to the different proposals put before the conference, that body agreed that in view of circumstances at present the governments of the three countries declare that there can be no question, either for them alone or acting in common with other neutral governments, of taking the initiative in any mediation between the belligerents or other analagous measures.

"On the other hand, it was established that it would be desirable to establish closer co-operation among the greatest possible number of neutral states, with a view to safeguarding their common interests, at the same time observing the strictest impartiality."

The understanding reached appears to contemplate:

More initimate collaboration among the three powers.

Exchange of information regarding the commercial policy of each power.

Protection of the mutual commercial interests.

Continued collaboration after the war.

Closer co-operation amongst the largest possible number of neutral states, with a view to safeguarding their common interests.

## Swedish Premier's View

Prime Minister Hammarsksjoeld, in an interview given to the correspondent of the Associated Press at Stockholm, October 4th, said:

"The blacklist is objectionable, not only because of its present operation, but because it will affect the future of the victims. We feel that it constitutes an unjust attempt to deprive certain of our citizens of their rights, and we do not like to see any Swedish subject lose any of his rights as a citizen unless by judgment of the courts.

"We are glad to know that the United States has taken steps in this matter, and we have welcomed other steps by the American Government in defense of the rights of neutrals and for the upholding of the rules of international law. I may perhaps say that before our conference at Christiania we had striven to keep in touch with the United States in regard to action in this direction.

"The Christiania communique lays stress on the desirability of more extensive, and at the same time, more intensive collaboration of neutrals. We hope that the traditional politics of the United States will not prevent it in the present exceptional circumstances from interesting itself in such collaboration.

"It is impossible that the greater part of the rest of the world should continue indefinitely in the present unnatural and chaotic condition without America suffering also.

"Restrictions which are felt in comparatively small measure by the great American may strike at our very vitals. We are convinced that in our situa-

tion the Americans, who appreciate as much as we do the independence of a country and the legal right of its citizens would feel and act exactly as we do."

After remarking on the impossibility of Sweden's offering mediation and referring to America's steps to secure observance of the rules of international law, the Minister said:

"America is in the fortunate position that she is the greatest of all neutrals, far removed from the strife, and with great resources. She really does not need to be greatly concerned about whether this or that step does make her unpopular with the one or the other belligerent."

## British Reply

A London cable despatch to the Associated Press, October 6, said:

"We are anxious to restore to its old footing the ancient friendship and commercial intercourse between the two countries," declared Lord Robert Cecil, Minister of War Trade, today in an interview with the Associated Press in which he replied to the recent statement of Premier Hammarsksjoeld of Sweden.

To the assertion of the Swedish Premier that Great Britain arbitrarily is limiting imports into Sweden, Lord Robert said that Great Britain has always been and is now ready to enter into fresh negotiations for a trade agreement with Sweden, in which case allowances would be made for all of Sweden's requirements, which, he admitted, are greater now than before the war, owing to the development of her industries.

The Minister of War Trade declared incidentally that the British blacklist violates no rule of law or equity. He continued:

"The Prime Minister says that he is in harmony with the American protest against the blacklist. As to the merits of the blacklist controversy, I explained before that the blacklist is an attempt to prevent British subjects from trading with enemy firms or with firms that trade in the interests of the enemy. For the Swedish Prime Minister or any neutral to claim that we should compel British firms to help enemy trade when their country is engaged in a life-and-death struggle is a claim for which there is no precedent and which cannot be admitted. For the British Government to prevent its own subjects from helping the enemy is to violate no rule of law or equity or morals, and is an elementary precaution taken in the interests of national safety.

"With regard to commercial measures taken against trade with Germany through Sweden, Great Britain and her allies are as one in their determination to use naval forces in preventing the import of goods to enemy countries. No one surely can complain of that. It is impossible for us to permit unrestricted imports into neutral countries, by which such neutral countries become the channels of supply for the enemy. At the same time we are and always have been anxious to facilitate the import into neutral countries, including Sweden, of all goods needed for home requirements, allowing for the normal development of industries, provided that satisfactory guarantees

are obtained either from the importers or a Government body that no goods in any form will be re-exported to the enemy. It follows that the unrestricted import of goods which would release home products of similar nature for exportation cannot be agreed to by us."

Lord Robert said that the best plan for arranging imports is undoubtedly through agreements such as exist with Holland, Norway and Denmark, where all goods are controlled by a central association or by associations of traders interested in the various industries. This plan provides for the distribution of goods to reliable traders, and prevents corners for the raising of prices. In conclusion, Lord Robert said:

"But for any negotiations to be successful there must be co-operation by both parties. Unless we can get full information from Swedish sources regarding home requirements and conditions of trade, no agreement can be reached."

In a newspaper interview with the Associated Press on September 8th, Lord Robert Cecil, British Minister of War Trade, said:

"It is not likely that Great Britain will change her blacklist policy at the request of the United States.

"The ideas expressed by some of your newspapers that Great Britain is adopting a deliberate policy with which to injure the United States is the purest moonshine, since outside of our own Dominions our trade with the United States is most important. Of course, natural trade rivalry exists, but no responsible statesman in this country would dream of proposing an insane measure designed to injure the United States Commerce.

"Any impression that the blacklist is merely an entering wedge for a trade warfare after the war may be dismissed at once. I assure you the blacklist is purely a war measure, and I cannot insist too strongly that the government is taking every precaution to guarantee its enforcement so as to cause as little hardship as possible to innocent traders." * * *

It was pointed out to Lord Robert that the belief prevailed that the shipments of consignments of firms trading with blacklisted firms might be refused from United States to other neutral ports through the fear of not getting coal. Lord Robert replied:

"The fear is ungrounded, as we have no desire to interfere, nor does the law contemplate any interference with legitimate trade. We are taking precautions to prevent an unjustified extension of the blacklist. The real purpose of the Paris Conference was to arrive at some plan by which to prevent any resumption or extension of the politico-commercial system prevailing before the war in the first place, and, in the second, to devise means for accomplishing, both for ourselves and our allies, the enormous task of reconstruction. We fully realize that such a plan must involve readjustment of existing treaties, which, with their favored-nation clauses, now stand in the way. However, it must be remembered that with the exception of this country, which has no tariff wall, all countries have constantly evaded and violated the favored-nation clause."

# PRESS COMMENT AND DISCUSSION

## BRITISH

The views of British newspapers and reviews on the Paris resolutions divided on tariff lines. The measures for the war period were generally endorsed but the suggestion of customs preference evoked sharp differences of opinion.

### London Times

(*Conservative,* June 23)

It is clear enough by this time—not only from the official record of results, but from the statements of those who are best qualified to judge them—that the Paris Economic Conference achieved to the full the success for which its advocates confidently hoped. It is no slight feat for the delegates of so many nations, each with interests and economic doctrines of its own, to have reached a comprehensive agreement, not merely upon the financial and economic measures to be taken against the enemy as military weapons during the struggle and during the period of reconstruction to follow it, but also upon the main lines of their common policy on these subjects when that period has come to an end. Only a revolution in the general outlook of the Allied peoples and Governments could have made this feat possible. That revolution has been wrought by the war. As the German political and military offensive transformed the Triple Entente into a fighting Alliance, so has the German economic offensive forced upon the Allies the necessity of an equally close defensive alliance in the economic sphere. None of us realized until the war broke out how far that insidious offensive had been carried within our own countries. Unconsciously we had all become tributaries in varying degrees to German trade and dependent upon Germany for some of our essential supplies. It is hardly an exaggeration to say with Mr. Hughes that German penetration had brought this Empire within an ace of ruin. The war has rent the veil behind which the Germans worked. It has brought home to us all the truth that, in these days, trade and national safety are inseparable parts of a single whole.

The Paris Resolutions are the unanimous and official recognition of this truth by the Allies. They constitute an admirable frame-

work for such a policy as the entirely new situation created by the war imperiously demands. But they are at present no more than a framework. The real success of the grandiose projects they are intended to initiate depends almost entirely upon the way in which the framework is filled, and, above all upon the spirit in which the work is begun and is continued. Mr. Hughes, who made on Wednesday another admirable speech on the subject, insists upon this truth with characteristic clearness and vigor, and the delegates themselves are hardly less emphatic. There are still influential persons in England who believe that our old relations with Germany were inevitable and should be resumed immediately after the war. That is impossible, but the mere effort to make it possible might, unless it were defeated in advance, knock the bottom out of the policy just formulated in Paris, and reopen the door for the subtle German trade devices which cost us so much, and which went near to costing us all. Mr. Hughes is unquestionably right when he says that the overwhelming majority at home as well as in Australia are determined that these relations shall not be renewed. He is right, too, when he observes that the influences working against the Paris policy should not be underrated. The cry has been raised that this policy is a policy of perpetual war, transferred from the military to the economic domain. It is a dishonest cry, as M. de Broqueville, the Belgian Premier, showed in the eloquent speech with which he closed the Conference. The economic alliance will be essentially such a defensive alliance as we have constantly advocated in these columns. It does not aim, like the schemes of the Central Powers, at domination over the markets of the world. What it purposes is to secure for the Allies and for neutrals independence from the "intolerable yoke" which these Powers seek to fasten on the necks of others.

It is impossible to do more at present than to touch upon a few of the particular measures recommended by the Conference. They relate, as we have mentioned, to three periods—to the duration of the war, to a period of transition after the war, and to the future after this period has elapsed. The war measures are excellent, and are already partly in force. All that is needed is that they should be applied more fully and consistently by all the Alllies. Greater stringency is particularly desirable in regard to the prohibition of trade with firms and companies partly under the control or influence of enemy subjects, and in regard to the cancelling of contracts with such subjects It is equally necessary that the operations of inter-

national finance and of its representatives in the Allied countries should be strictly controlled both during and after the war. But it is the proposal that the Allies shall refuse "most-favored-nation" treatment to the enemy for a number of years to be fixed by the Allies that is likely to prove most disconcerting to Germany. Though this is one of the transitory articles, we fancy that once the Allies have liberated themselves from the grip which this system has given her on their trade, they will be slow to place themselves under it again. The positive recommendations of a permanent character aim at the right goal and are conceived in the right spirit. They show a comprehension of the truth that the economic situation arising out of the war and the problems attending it cannot be dealt with by muttering any shibboleth. The task of the Allies is not to secure "tariff reform" or "free trade" as ends in themselves. It is to vindicate their economic independence of the enemy countries and to foil the organized attempts of these enemies to reduce the world to economic servitude. That is only to be done by the frank acceptance of many new economic principles.

## Manchester Guardian

(*Liberal, Free Trade,* June 21)

"The anxiety which chiefly exercises the mind of the Conference appears to be that for the purposes of reconstruction Germany will wish to supply us all with materials and appliances below cost price. To avert the calamity of being able to buy cheaply special arrangements are to be made for the common defense against 'dumping.' Enemy goods, manufactures, agricultural products and shipping are all to be subjected to special treatment. There is either to be actual prohibition or something of 'an effective character,' presumably a tariff of a protective nature, or for shipping, we suppose, regulations sufficiently penal.

"For all these proposals there may be two quite different motives. One motive is to keep the Central Powers weak, that is to say, it is to prolong the stage of hostility over the reconstruction period. Whether this may be justified or not, depends in the first place on the kind of end to which we are able to bring the war. If that end should turn out to be such as we desire there should be no such necessity. It depends also on the length to which the period of reconstruction may extend. Is prohibition or a prohibitive tariff to be prolonged indefinitely, or will a term be fixed after which normal relations may be resumed so that the world may have some

hope of settling down? If not, we have as yet no vision of permanent peace before us, but only one of armed truce.

"It may be said, however, that these proposals have quite another motive; that their object is not so much to weaken the enemy as to strengthen the Allies, but economically the Allies will not be strengthened but weakened by the refusal of cheap supplies from the Central Powers. These supplies will go instead to neutrals, who in their turn will step into the trade with Germany and her friends that had previously been done by us and our friends. Neutrals, already enormously enriched, will gain still further at the expense of the belligerents, while the work of reconstruction, which interests us all, will be hampered by the restrictions of the market. In a word, these proposals are calculated to compass the prolonged impoverishment of both parties to the present war, to the advantage of neutrals, who alone will be free to trade with both sides.

"Permanent protection the Conference does not advocate, but it sets forth the economic independence of the Allies as an ideal. The methods that are to be used are to be congruous to the economic principles of the several Governments, which being interpreted means, we suppose, that this country is not called upon to depart from Free Trade forever, but may pursue other measures of Governmental culture of non-remunerative industries. As to the desirability of economic independence there is pretty general agreement. We are glad to see that one sound method of securing it for the Allies conjointly is recognized by the Conference to lie in measures for facilitating trade between the nations. The most obvious of all such methods, however, is not mentioned. It is that of removing all tariffs on goods of Allied countries. Here the Conference has surely missed an opportunity. In demanding rigid protection against the Central Powers for the transitional period it might very logically have suggested an equally thorough system of free exchange as between the Allies. That this course—so clearly in line with the conception of an ceonomic interest common to all the Allied Powers—should not have been suggested indicates the dominance of the Protectionist influence. We have the strongest desire to cooperate in all things as far as possible with our Allies. But many of the resolutions adopted by the Conference are based on an economic reasoning which we believe to be thoroughly fallacious, and some of the results of which would, we think, be especially injurious to ourselves. For this reason, with the strongest desire for unity in all things essential, our Parliament will have to

claim the liberty of closely scrutinizing the concrete proposals in which the recommendations of the Conference may take shape, and that not for their bearing on any general principle of Free Trade, but for their probable effect in accelerating or retarding the revival of the country after the war and its power to hold its own in the competition of the world."

## Dr. Dillon's View

A clear exposition of the problems involved is contained in articles published in the London *Daily Telegraph* of June 16 and 17 by Dr. E. J. Dillon, a well-known publicist. He wrote in part:

"How delicate and complex a matter it really is may be inferred from the fact that two of the issues were withheld from the purview of the Conference, and reserved for the consideration of the interested Governments, namely, the means of favorably affecting the international exchange and the measures to be resorted to in the matter of Customs."

"The importance of influencing the exchange in favor of our Allies cannot easily be over-rated. It is possible that it may be settled satisfactorily by the Governments themselves, but settled it must be, radically and permanently, and without much further delay, for the sake of our Allies, ourselves, and the Alliance.

"The extent of our future commercial relations with Russia depends largely upon that. Let us suppose for a moment that things are left, as they now are, indefinitely. What will happen? After the war Russia's rate of exchange will still be considerably under par, whereas that of Great Britain and France will have risen to its normal level. The financial plight of Germany and Austria will also be such that the international exchange in Berlin or Vienna will approach more nearly to that of Petrograd than to that of London. One of the direct consequences of this inequality between ourselves and our Allies will be that Russia's commercial custom will be irresistibly drawn to Germany and Austria, and away from Great Britain. For Russia's industrial and commercial requirements could then be much more cheaply supplied by the two first-named countries than by ourselves, because the purchasing power of the Russian rouble will be greater in the Central Empires than in Britain and France. Machinery, for instance, which would cost, say £10,000 in Manchester, would be obtainable in Stuttgart or Chemnitz for about £8,500 worth of roubles.

"In such conditions, however cordial the relations between the two Allied peoples might be, it is clear that sheer interest would

prompt the Russians to purchase in the cheapest market, which would in turn import the produce it needed from its Slav customer, and on the same grounds."

Dr. Dillon enumerates the sacrifices made by Russia to protect exchange, pointing out the difficulties therein encountered, and adds:

"If one inquires what remedy can be suggested for this phenomenon, which is really the effect of an economic law, the answers are divergent. One of them is embodied in a suggestion that an international paper currency should be created by the Allied nations for the duration of the war, the value of which would be identical among them all, and therefore immune from fluctuations. This expedient is simple, and sounds facile and satisfactory, but like most simple solutions of complex problems, it is in reality so difficult of realization that it can hardly be regarded as practical.

"More serious is the proposal for the issue of a Russian loan, which Great Britain and France should co-jointly guarantee.

"How arduous this task of reconciling the various interests will be may be inferred from their divergency. Take Russia as an example. Her chief exports are cereals, timber and general agricultural produce, and her best customers for these are Germany and Britain. Her competitors are our Colonies, India and Argentina. If we give a preferential tariff to the Colonies, as policy and sentiment prompt, Russia, it is alleged, will be thrown into the arms of Germany. The enormous trade done between Germany and Russia before the war was caused and fostered by the cheapness of German manufactures and the facilities offered for payment. In order that the Tsardom should withdraw that custom after the conclusion of peace and deprive herself of her best customer, it is clear that similar cheapness for the purchase of her requirements and like easy terms of payment must be offered by her Allies, and also an equally profitable market for her own produce. Analogous considerations apply to imports and exports of our other co-partners."

"The dilemma may be briefly expressed thus: If our future tariffs favor the Colonies, one of which is Russia's keenest competitor, the Slav Empire will be forced to have recourse to Germany for her foreign trade; and if, on the other hand, we give no preference to the Colonies, which have cheerfully and steadfastly stood by us in the hour of our need, offering up the sacrifice of their best for the cause of the Empire and the race, we shall be throwing away a

unique opportunity of founding a real empire, asserting our kinship and displaying our sense of gratitude. * * *

"An idea occurred to a well-known economist in Paris, which this is not the place to analyze, that it might perhaps be feasible to divide the total of Russia's annual exports among her Continental Allies. For example, one might calculate, on the one hand, the quantities of produce she can afford to sell, now that her own people's requirements have increased so considerably since the prohibition of vodka and ascertain how much went to the Central Empires before the war; and, on the other hand, the total required by all the Allied Nations and the amount they were wont to purchase from Germany and other neutrals. It might then be possible for the Continental Allies to take over the total. I mention this suggestion without comment.

"The direction in which I personally look for the most acceptable solution is that of British Imperialism working in concert with our Allies on the broadest basis possible."

## London Daily Telegraph

(*Conservative and Tariff Reform*, June 22)

"The conclusion which we draw is that British statesmanship must absolutely disregard, for the time being, all preconceived fiscal notions. To talk in terms of Free Trade or Protection is absolutely irrelevant. These formulae are two years out of date. They have no bearing on the new problem. The old patient to whom these prescriptions were tendered was killed in the war. There is a new corpus on which the crucial experiment has to be made. That was fully recognized at Paris by the British delegates who are prepared for any commercial restriction which may be found necessary, and for the many changes in her fiscal system which Great Britain will have to make if she is to remain a loyal and whole-hearted friend to her friends.

"We shall also have to put our own commercial house in order and negotiate with our Allies in a spirit of give-and-take on the various questions of commercial law, patents, transport, etc. And for the beginning, how could this country better facilitate commercial intercourse than by the adoption of the metric system of decimal coinage? If we drop our insular system of coinage, weights and measures, it would be a great boon to ourselves and to all our customers and correspondents throughout the world, wherever the metric system is in vogue."

## The London Morning Post

(*Conservative*)

This staunch advocate of Tariff Reform complains that the signatories of the Conference agreed that in adopting permanent measures of mutual assistance the Allies "have regard for the principles which govern their economic policies."

"If this saving clause," says the *Post,* "really meant that Great Britain meant to do nothing outside the limits of Free Trade, then nothing at all of any value could be done, and we might as well resign ourselves to the 'intolerable yoke' of Germany. There can be no such reservation. All the Governments must be free, not only to subsidize enterprises and to develop natural industries and resources by financial aid and technical research, but to use 'customs duties or prohibitions of a temporary or permanent character' where necessary. If Great Britain declines to accept that position she frustrates the whole intention of the Conference."

## The Spectator

(*Conservative*)

"Free Traders must frankly acknowledge the fact that principles which they regarded as demonstrably sound under peace conditions are not applicable under the conditions of quasi-warfare, which will certainly continue to exist when the present war comes to an end. It is equally important for Tariff Reformers to remember that their primary conception of Protection for the home market conflicts fundamentally with schemes for combined action on the part of the Allied Powers. In laying down this second proposition it is important to make our own position perfectly clear. We entirely repudiate the idea that either France or Russia, while maintaining her protective system against us, has any right even to expect that we should necessarily maintain a free import system for her benefit. We do not claim any right to interfere with their domestic arrangements, and we may assume that they equally recognize our right to establish domestic Protection for ourselves if we should decide that it is in our own interest so to do. The point is that it is almost impossible for British Ministers simultaneously to work for joint action with our Allies against Germany, and also for Protection against those Allies. In turn, when our Allies come to consider how practically to establish working arrangements with Great Britain for defence against the common enemy, they will probably

find that their system of domestic Protection seriously hampers their freedom. Whether they will be able in practice to modify that system in the face of internal political pressure is another matter.

"The same considerations apply to our own Dominions, and the same difficulties arise. Both Free Traders and Protectionists in England have often dreamed of the desirability of establishing a complete system of Free Trade within the British Empire. We may be nearer to the realization of that dream than ever before, but we certainly cannot yet see it taking shape. In all the Dominions the Protectionist spirit is still strong. Hitherto all that has been done in the way of encouraging trade relations between different parts of the Empire has been through the establishment of Colonial preferential tariffs; but in practice these tariffs have nearly always been arrived at, not by lowering the Colonial duties on British imports, but by raising the duties on foreign imports. In other words, the Dominions have hitherto followed the policy of domestic Protection even against the Mother Country and against one another, while increasing the scale of Protection against foreign countries. In saying this we are not blaming or criticizing the Colonial Governments; we are merely noting the facts. At the moment it does not seem that either in France or Russia or Italy or in our own Dominions is there any great prospect of the abandonment of the policy of domestic Protection. Consequently the practical question which the Paris Conference has to consider is how far it is possible to fit in this policy of domestic Protection with the wider policy of Allied action against the German enemy. On such a point no general principle can be laid down; the matter is obviously one of detail, and the details must depend on future rather than on present facts. There is, however, one very important point which ought at once to be dealt with. If the Allied Powers are to take in the future common action against German commercial methods, they must have their hands free to impose tariffs upon German goods which they do not impose upon the goods of one another. That means that Germany must not be entitled to claim most-favored-nation treatment.

"This is of all points perhaps the most immediately important for the Paris Conference to settle. In the Treaty of Frankfort, which ended the Franco-Prussian War of 1870, there was inserted a permanent most-favored-nation clause regulating the commercial arrangements of France and Germany. This clause was inserted

at the request of France, but most French people seem to be agreed that it was Germany who drew the greatest advantage from it. At any rate, there is not likely to be any French opposition to a refusal to insert a similar clause in any treaty of peace that may follow the present war. Nor need there be any opposition from Great Britain. It is true that the most-favored-nation clause, which forms part of our commercial treaties as well as of those between other Powers, has on the whole served us well. It may be, as is alleged, that in particular cases the Germans have dodged the obvious meaning of the clause by introducing extremely complicated definitions of goods, so as to obtain advantages for themselves, while denying them to the other contracting Powers. Apart from this trickery, the clause has had the advantage of enabling our exporters to profit by any reductions in tariff that any other nations agreed upon between themselves. Nevertheless, we must now be prepared to sacrifice that advantage, whatever it may have been worth. For unless the Allied Powers reserve the possibility of establishing preferential tariff arrangements among themselves, they will be able to do very little indeed to counteract German commercial methods.

"Up till quite recently the question of preferential trading has generally been approached from the point of view of import duties. But it is clearly possible, and may even be more important, to deal with it also by means of export duties; and one of the points which will probably be discussed in Paris is the possibility of reserving natural products to the manufacturers of the Allied Powers by means of a system of preferential export duties. Within the last few days, indeed, a definite suggestion in this direction has been made by a Government Committee which was appointed to deal with the question of the export of oil-producing nuts and seeds from our West African Colonies. This Committee, over which Mr. Steel-Maitland presided, has reported in favor of the imposition of an export duty of not less than £2 a ton upon all seeds exported to ports outside the British Empire."

## The London Economist

The *Economist,* edited, at the time of the Conference, by Mr. Francis W. Hirst, an unyielding Free Trader, points to the declaration of the treaty that "the benefit of most-favored-nation treatment shall not be granted to the enemy powers during a number of years, to be fixed by mutual agreement among themselves," and to the further provision that "the Allies decide to fix by agreement a period of

time during which the commerce of the enemy Powers shall be submitted to special treatment, and the goods originating in their countries subjected either to prohibitions or to a special regime of an effective character."

"But we had always understood," says the *Economist,* "that the most-favored-nation clause was the sheet anchor of our Free-trade system and Free-trade diplomacy, and that neither Mr. Asquith nor Sir Edward Grey had recanted their Free-trade opinions!

"The principal Allies are four—one, Russia, has the highest protective tariff in Europe, France and Italy both have tariffs on the whole higher than those of Germany and Austria, while the fourth Power, Great Britain, offers a free market to the whole world. Do our Colonies and Allies wish their products to be taxed, and have Mr. Asquith and Sir Edward Grey turned Tariff Reformers?"

"Then, again, we would ask, is the idea of a trade war after the peace seriously entertained by our idealistic rulers?

"In Russian and Italian circles in London, writes a correspondent, the resolutions passed at the Economic Conference have been somewhat critically received. Russia's geographical situation, apart from any other considerations, compels a vast proportion of her export trade to be carried on through Germany and Austria, even were Constantinople a free port. So far as the (a) measures (i.e. for the war period) are concerned, *Russia has already taken very drastic steps with regard to German businesses within her own territories.* The (b) or transitory measures are of a more controversial kind, while those under (c) measures for 'mutual assistance,' need considerable revision before they can be made applicable to Russian conditions. These considerations apply to some extent to Italy also; for Austria-Hungary and Germany form the most natural outlets for Italian products. Even in the *'transitory' stage the Italian may have* to come to a commercial understanding with Germany, if not with Austria-Hungary as well, somewhat different from the suggestions laid down in the resolutions. *Although endeavors will be made by London and Paris to finance Italian industries after the war, actual trading between Italy and the Central Empires can hardly cease.* As the resolutions stand, indeed, they are said to be *drawn in favor of French industries,* particularly the 'luxury' exports, *and of English Protectionists.* And the question suggests itself at once, what of neutrals? This is asked more frequently in Italy and Russia than in England and France, although

Mr. L. A. Martin, chairman of the council of the London Chamber of Commerce, said to a representative of the Manchester *Daily Despatch* (June 22nd): *'What we are very much concerned about in regard to the future is as to how the Allies will treat neutral countries. There is a grave danger that those countries, if they feel they are in a bad position, may be driven to and embraced by Germany and Austria, and this point requires very careful consideration.'"*

## "Fairplay"

"Fairplay," one of the leading British journals devoted to shipping finance, said on August 10th:

"America so far has evaded the fight, but she is bound to recognize two things (apart from the fact that we are not out to be beaten) firstly, that the nations who win this war, whether they be the Allies or the Central Powers, will not be in a temper to stand any nonsense from any neutrals; that the winning combatant countries will represent the main armed forces of the world, and that no one else will be in the running. Secondly, America will appreciate that the Allies, *pace* Mr. Asquith, do intend, where it pays them to do so, to put up a tariff wall between themselves and neutrals. They mean to restore themselves and to become self-supporting—at some expense it may be while the operation lasts, but certainly not for the benefit of neutrals. And if this be so, then America has perhaps a somewhat awkwardly restricted market. She has already experienced the pleasures of a Chinese boycott, but at the close of the war she will be facing as a competitor a Japan which economically, financially, and by treaty is a vastly different proposition from the nation which could be openly flouted over California issues a few years back."

## British Ministry of Commerce

"A few things that want attention," according to Ernest J. P. Benn in the London *Evening Standard* of July 19 are:

1. We have got to raise an annual revenue more than twice as large as in 1913-14.
2. We have got to repair the material damage done by the war.
3. We have got to find employment for our soldiers and munition workers.
4. We have got to fill up the empty warehouses of the world.
5. We have got to take Germany's place in France, Italy and Russia.

6. We have got to pay higher wages than ever before to our own people.

7. We have got to cheapen production to compete with Germany and America in neutral markets.

## FRENCH COMMENT

### La Revue de Paris, May 15, 1916

"The dangers of an Economic War," an article by Max Hoschiller (*La Revue de Paris*) recalls that Mr. Asquith advised the British members of the House of Commons designated as representatives of the Economic Conference:

"Whatever you do, be careful not to allow yourselves through excitement or blindness or by natural sentiments, caused, I will not say by the desire of vengeance but of cementing the victory, to take measures which will do you more harm than the enemy."

This article was written before the Conference took place and it conceived the purpose of the Conference to be a sort of protectionism in four degrees, that is, 1. Reciprocal preferential tariffs between the United Kingdom and its possessions; 2. Reciprocal and preferential tariffs, but in second line, between the British Empire and the Allied Powers; 3. Favorable treatment, but in third line, for neutrals; 4. Prohibitive tariffs for the Powers at present enemies.

British Imperial Customs reciprocity according first preference in the United Kingdom to the British Colonies, declared the writer, would bear more heavily upon Russia than upon either Germany or Austria-Hungary. The proportion of wheat imported into England from Russia has remained practically stationary, while that of the oversea dominions has vastly increased. The prediction is made: "If Mr. Hughes should establish differential tariffs between the serials from Canada, Australia and India, and the serials of Russia, the latter will be driven out of the English market. The article continues:

"Professor Migouline, President of a special commission in the Russian Ministry of Finance, wrote recently that Russia could not accept the form of protectionism in four degrees and thus lose the German market, unless it receives compensation from the Allies. What compensation? Measures facilitating the exportation of Russian agricultural products.

"On March 9th last, in a report presented to the Pan-Russian Agricultural Congress, Mr. Boradaievsky stated that the Allies must facilitate the exportation of products of the Russian soil, failing which, Russia would be obliged to make with Germany, after the war, a treaty of commerce including the most favored nation clause. Mr. Rostovtzeff, member of the

Russian Parliamentary Committee of Commerce, claims nothing else than a monopoly for Russian serials in the English market, to the exclusion of the Canadian and Argentine; that at the same time the Allies should engage themselves to import only Russian wood, instead of that from Sweden or Norway. * * *

"Even if England had been willing, without doubt she would not have been able to accede to the desires of the Russians expressed in a form so categoric; the honorable member of the Douma appears to have forgotten that Canada is a British colony and cannot be excluded by the mother country. * * *

"It would have been interesting to have heard Mr. Hughes, the great Australian propagandist of the economic war, explain how the British colonies could, without compromising their prosperity, entertain with powers like the United States, for example, relations according to the formula; door open between the Allies; door half-open to neutrals.

"To obtain manufactured goods, the colonies do not always apply to the mother-country. In fact, the exchange in the limits of the British Empire, that is to say between the United Kingdom and its colonies, increases rapidly (124.9 per cent. for the period from 1890 to 1902), more rapidly than the commerce of the Empire with foreigners (105.8 per cent.). Without denying this general tendency which, furthermore, is still more accentuated in the inter-colonial exchanges (149 per cent.), therefore excluding the mother-country, Britain's part in the total provisioning of the colonies decreases sensibly; foreign competition is very strong and still continues, either on account of superior methods of sale and production, or advantages owing to geographical situation.

"The example of Canada is striking. In this important market the United States holds an incontestable supremacy, in spite of preferential rights of 33.33 per cent. which English products enjoy; during the fiscal year 1914-1915, the United States imported a value of 426,617,000 dollars, whereas England's part attained only 90,086,000 dollars; the figures for the year preceding, 1913-1914, are respectively $410,786,000 and $131,943,000.

"Is it in the interests of Canada to impede the importations from the United States to the profit of the mother-country, or to pay dearer for the products which the latter would not be in a position to furnish? To-day less so than ever, because the war, by its financial reverberation, has rather strengthened the bonds that unite and will always unite the United States and Canada, by reason of their proximity geographically and by the force of attraction exercised on a more feeble country by its trusted powerful neighbor.

"It is shown, in fact, by recent declarations of the president of the Bank of Montreal that the commercial balance between Canada and the United States during the past year was 113 million pounds in favor of the latter, and to this is to be added the annual interest of about 32 million pounds on the previous Canadian debt, making a total of 145 million pounds. On the other hand, the commercial balance with England for the same period amounts to 191 million pounds in favor of Canada, but this sum is automatically reduced to 41 million pounds, by taking into account the annual interest of 150 million pounds due to Great Britain.

"With the exception of one loan of 5 million pounds, Canada did not ask

in 1915 any capital from London, as it had done during the years preceding the war; it has even reduced the Treasury Bonds placed on the English market at the commencement of the war by an amount of 10 million pounds, to the nominal sum of 325,000 pounds. In return, the United States advanced to Canada important sums for military expenses, about 142 million pounds, while the preceding year Wall Street only advanced 50 million.

"This financial dependence on New York will not permit Canada to treat with the United States otherwise than on the basis of reciprocity of tariffs. In any case, it is very unlikely that they will begin an economic struggle with their powerful neighbor.

"It is not certain, furthermore, that the Dominions will consent to accord to their mother-country the reciprocity of this favorable treatment of which they show themselves so exacting. In London they are very skeptical on this point—and with just reason. * * *

"Although not yet fully developed, the colonial industries believe that they have found the best method of protecting themselves against foreign competition in fixing customs duties, and they depart in no way from their principles when it is a question of English importations. Their governing powers had scarcely been accorded before the governments of the Dominions adopted protection. Canadian manufacturers are continually demanding new tariffs and enjoy at the present moment concessions that artificially stimulate their manufactures. Australia also seems to be quite prepared to make large sacrifices in order to be able to transform its raw materials in its own factories instead of sending them to the United Kingdom.

"It is difficult to imagine the colonial manufacturers, the most decided protectionists, renouncing their private interest and according special concessions to English manufactured products, so that the farmers may more easily dispose of the cereals, meat and wool, goods which find ready purchasers in the international market. Already certain of the most important Australian newspapers representing the industrial interests, thoroughly disavow the turbulent propaganda undertaken by Mr. Hughes on his arrival in London. * * *

"It is difficult to understand how the plans for the economic war, as exposed by those in favor of protectionism of 4 or 3 degrees (especially by Monsieur Edmond Thery), have received the least sympathy in France. Bringing with it as a necessity the return of the prohibitive regime under which England lived from 1651 to 1847, it is clear that it would harm to a great extent the interests of France. * * *

"The principal products of France, such as silk goods and silk mixtures, enter into the United Kingdom free, without paying customs duties or even any physical tax. What would happen if the formula of protection in three degrees were accepted? Whatever may be the difference applied by Great Britain in the treatment of enemy, neutral and allied products, it is nevertheless a fact that all French exports would come up against a barrier of custom duty not before existing. This is the most certain result from the French point of view and the policy of reprisal against Germany. * * * Will this economic war against Germany justify the establishment of customs duties on fresh flowers, feathers, raw silk, wool of all kinds, woolen rags, goods which Germany never sends to England and which constitute a French

monopoly? Will these tariffs on ready-made garments, automobiles, silk, ribbons, cloth, wool, manufactured goods, in respect of which France has, in spite of German competition, an incontestable superiority, not affect infinitely more the French than the German industry?

"The character of necessity which dominates the Anglo-French exchanges has often been pointed out. The following words of the distinguished commercial attache in London, Monsieur Jean Perier, are often quoted: 'The nations who sell to England or who join with her in the international traffic may be classed in two distinct categories: in the first place, nations whose natural resources, and more particularly the aptitudes of race, are similar to those of England, and in the second place, nations whose natural resources and aptitudes of race and unlike those of that country. In the first category are the United States and Germany, in the second, France.'

"Is that to say, however, that by charging French products with tariffs more or less high England would not impede their sales? France exports the superfluous, and when England, to procure more important resources, establishes fiscal duties on importation, it commences always by striking a blow at this superfluity and thus against French products pre-eminently."

The writer declares that the British campaign against unnecessary importations has been accentuated in a manner disquieting to French industry, due, first, to the British tariff duties and then the prohibition of importation of automobiles, musical instruments, liquors, rum, porcelain and basket work, and says:

"After the war, protecting tariffs may definitely follow those which, to-day, have still a temporary and fiscal character, and thus share the very foundations of the Franco-British commercial entente. It is not to be overlooked that very severe taxes have already been imposed in the interior of England on the consumption of these same objects of luxury, of which the commerce is the prerogative of France. * * *

"The true corollary of the cordial entente would be a Franco-British treaty of commerce, the basis of which would be established by mutual concessions: England renouncing the supplementary taxes imposed on wines and spirits, reducing the fiscal duties on fruits and other products, and, in return, France extenuating certain tariffs and suppressing the surtax on storage which weighs so heavily on merchandise transported by way of English ports."

The writer, obviously a free trader, next considers the possibility of renouncing a protection of four degrees simply by interdicting Austro-German products or by reprisals against them. He quotes members of the Douma as protesting that a boycott against Germany, whose products Russia has bought because they were obtainable at the lowest price or on more advantageous conditions than from England or France, and that cessation of commercial relations with Germany would mean for Russian consumers an increase in the cost of living. Mr. Boublikoff, a member of the Douma, is quoted as saying:

"If we agree to combat Germany we must claim from our Allies that our interests will be looked after and that this struggle against the reinforcement of Germany will not be at the price of our own impoverishment."

And Mr. Migouline is again quoted:

"The question is whether the Allies, especially France and Italy, are ready to lower their tariffs on cereals and wood imported from Russia."

Mr. Hoschiller continues:

"The painful lessons of this war have demonstrated the fact that the industrial power of Russia is far from corresponding with its political role. This dis-proportion appears so abnormal that last year the Committee on Protection of the Industrial and Commercial Association affirmed in its general report that if Russia did not double her means of production within ten years a catastrophe was inevitable. It is consequently necessary to follow up industrialization of the great Slav Empire with greater energy than ever before.

"Sharing the error, common to all protectionists, most of the Russian producers believe that in restricting foreign imports of whatsoever origin, they will more rapidly attain their ends. They carefully refuse to attribute the same political purpose to the conquest of markets by France or England as to the 'peaceful penetration' by the Germans, but are inclined to view it unfavorably from the economic standpoint. * * *

"Is it to the interest of France to prohibit the importation of German merchandise into her country? What she buys from Germany is first of all coal. There is no remedy for this situation as long as she does not make use of her waterpower, because France lacks coal and is dependent on foreign countries. We cannot, however, without ruining all French industries, artificially maintain freights at the frightful level which they have reached to-day, which would fatally happen if we should persist in supplying ourselves exclusively in England.

"France, on her side, furnished Germany with materials necessary for the industries, especially raw cotton and cotton waste, wool and woolen waste, raw skins and hides and minerals. Moreover, industrial Germany is one of the best purchasers of agricultural France. The market of Cologne is the center of re-expedition of early fresh French vegetables and fruits (primeurs).

"Some people appear to wish to ignore the fact that from 1889 to 1909 France sold more to Germany than she bought from her."

## "Economiste Francaise"

A journal which has followed the economic happenings of the war very closely has an article in its copy of June 17th, 1916, which seems to represent the opinion of the leading French economists.

After pointing out that in the interest of the co-operation of the allies during the war and during the time immediately after the war it will be necessary to proceed quickly the article explains that not all the allied nations are placed in the same situation. Some are partly invaded and find themselves attacked and of the allied na-

tions Great Britain only has escaped invasion. The article says further that the allied nations must assist each other in the most cordial and faithful manner and that those most attacked must receive help from those which are attacked least. This creates certain economic and financial obligations.

The period of transition between war and peace also presents duties the fulfilment of which, if not of immediate necessity, is nevertheless near. Germany has been able until now to preserve the immunity of her territory and of her industrial resources. Means must be studied and determined upon to hinder Germany during this transitory period, during the armistice and the peace negotiations to exercise this considerable advantage by returning to her habitual method of dumping and unfair competition. Important technical questions will arise out of this. With regard to the period of the re-establishment of the final economic order after the war, the journal is of the opinion that the alliance between the members of the Entente must survive the war and that this alliance must be very close and effective and must have as much permanency as can be had in human things. It is necessary that during some centuries to come the nations of the Entente remain united, so as to master the German monster and to keep it from throwing itself on one of them or to endanger their life and progress.

The allies must be prepared for various eventualities. So in case an economic union of the European central powers should form, efficient measures should be prepared to fight it or to neutralize its effects.

The writer finally comes to the conclusion that it is of the greatest importance to state again that the allies have a common interest in war and peace which will keep them united and willing to co-operate.

## GERMAN COMMENT
### The New York Times
### July 18, 1916

"Representative organs of German trade and industry are inclined to comment both bitterly and rather sarcastically upon the economic conference in Paris on June 17, at which the powers of the Quadruple Entente outlined a trade campaign against Germany to be carried on for an indefinite period after the end of the war.

"The *Hamburger Nachrichten* of June 22, after describing what it calls the futile attempt to erect a Chinese wall against German

trade, accuses Great Britain of having organized the plan with the selfish idea of exploiting the war in her interest and shoving aside the uncomfortable German competitor. Then the Hamburg paper declares:

" 'We are thoroughly of the opinion that the German army and navy will still have some work to do before anything serious can be said from the German side as to the value of the Paris decisions. We therefore express no opinion about the intention of the Allies to impose special conditions on the shipping of their present foes, or on the permanent measures England and her friends propose regarding raw materials and manufactured articles which they could hitherto only obtain from Germany. Events will surely take a different course than the theorists gathered round the Paris conference table imagined. Let our enemies remember once for all that war is only ended on the basis of negotiations, and that the victorious side is easily in position at the signing of peace to slash to pieces with its sharp sword such paper agreements as those to which it has neither assented nor is inclined to assent.'

"The Hamburg shipping organ incidentally expresses the belief that the action of the London Chamber of Commerce in expelling all enemy-born members is 'a war measure, which will not be permanent.' The Chamber's action is attributed to "Englishmen having forgotten in their blind zeal what the English commercial spirit has to thank German commercial training for.' "

# CHAMBERS OF COMMERCE OF THE UNITED KINGDOM

## Reciprocal Trading Relations and Tariffs

At a special meeting in London on March 1st, 1916, the Association of the Chambers of Commerce of the United Kingdom adopted the following resolution expressing the most advanced idea of inter-Imperial and inter-Ally preference and discrimination against and between neutrals:

"That this Association is of opinion that, with the objects of maintaining and increasing our trade after the conclusion of the war, it is necessary that the different parts of the British Empire be drawn into closer commercial union, and that our trading relations with our allies be fostered and that for the accomplishment of this purpose it is desirable that provision should be made:—

"(a) For preferential reciprocal trading relations between all parts of the British Empire;

"(b) For reciprocal trading relations between the British Empire and the allied countries;

"(c) For the favorable treatment of neutral countries; and

"(d) For restricting, by tariffs and otherwise, trade relations with all enemy countries, so as to render dumping or a return to pre-war conditions impossible, and for stimulating the development of home manufacture and the consequent increased employment of native labor.

"That His Majesty's Government be without delay requested by deputation from this Association to invite representatives from the colonies and the allied countries to confer in the first instance separately and subsequently collectively with representatives from this country with the object of arriving at common action."

The Council of the London Chamber of Commerce on June 25, 1916, adopted a report of the Chamber's special committee on trade during and after the war, including the following outline of a suggested tariff:

"The Committee after having consulted representatives of various interests concerned, including (a) manufacturing, (b) foodstuffs, (c) raw and semi-manufactured products, (d) foreign trade

(import and export), (e) British Empire (import and export), (f) shipping and carrying, recommend for consideration the adoption by the United Kingdom of the following suggested scheme for a tentative tariff as a basis for negotiations by his Majesty's Government in the proper quarters:—

| | Rate of Duty ad val. | | |
|---|---|---|---|
| | Per cent. Max. | Per cent. General | Per Cent. Min. |
| (a) Wholly manufactured goods.... | 30 | 20 | 10 |
| (b) Semi-manufactured goods and articles solely used as raw materials in industries..... | 15 | 10 | 5 |
| (c) Foodstuffs manufactured ..... | 7½ | 5 | 2½ |
| (d) Foodstuffs raw ..... | 5 | 2½ | Free |
| (e) Raw materials ..... | Free | Free | Free |
| (f) Articles such as wines, spirits, beer, tobacco, and other articles now dutiable | Existing war rates or modifications thereof during period of tentative tariff. Plus 50 per cent. for enemy countries. | | |

The foregoing classification and rates are suggested subject to certain reservations and exceptions to meet the case of special trades, among which are the following:—

(a) No objection would be raised to the maximum and minimum rates of duty being increased relatively to the figures under other headings if found advisable. It is assumed that a drawback or rebate on re-exports would be allowed. (b) A special reservation should be made in the case of imports from China of certain articles which are really raw materials, inasmuch as China, owing to treaty restrictions, is unable to negotiate on a reciprocal basis. (c) Where countries in the British Empire can produce sufficient of any raw material for their home consumption and export similar raw material from foreign countries shall be subjected to import duties sufficient to maintain and develop Empire industries, and such raw materials from enemy countries should be subject also to a penalizing tariff. (f) Reference is made to the advisability of preferential treatment of the British sugar industry.

## Allocation of Duties

Those proposals apply to (I) British Empire; (II) present Allies; (III) friendly neutrals; (IV) other neutral countries; and (V) enemy countries, and the duties, other than raw materials (e) and present dutiable articles (f), might be allocated as follows:—

British Empire countries—Minimum rate ten per cent., five per cent., 2½ per cent., and free, less any percentage of duty these countries may accord as a preference to the Mother Country—e.g.,

Canada now gives approximately one-third off to United Kingdom, therefore duty on Canadian manufactured goods would be 6⅔ per cent. and pro rata.

Present Allies.—Minimum rate ten per cent., five per cent., 2½ per cent., and free.

Friendly Neutrals (giving U. K. most favored treatment).—General rates twenty per cent., ten per cent., five per cent., and 2½ per cent.

Other Neutral Countries.—(Those giving preference to other foreign countries.)—General rates twenty per cent., ten per cent., five per cent., and 2½ per cent. Plus surtax equal to preference given to other countries.

Enemy Countries.—Maximum rate thirty per cent., fifteen per cent., 7½ per cent., and five per cent.

The revenue to be obtained from the suggested tentative tariff is approximately estimated at about 74½ millions sterling.

The report also states that the Allied Governments should be asked to impose special dues on shipping of enemy countries using the ports of the allied countries, and recommends that "His Majesty's Government be urged to guarantee for a period of years the continuance by subsidy or otherwise of new, or 'key' industries established prior to, and since the commencement of, the war."

The main objects to be achieved by the scheme of the Committee would be:—

(a) To provide for mutual preferential trading relations between the United Kingdom and other parts of the British Empire.

(b) To increase trade between the Allies and the British Empire.

(c) To widen the basis of British taxation and produce revenue to assist in meeting the cost of the war.

(d) To give a moderate protection to labor and capital employed in British industries.

(e) To provide a means for future tariff negotiations with neutral countries.

## Influence of Conference on United Kingdom Tariff

No extensive system of tariff preferences can be developed among the Allies while the United Kingdom retains its Free Trade policy. The coalition formed for the conduct of the war drew into the British Cabinet a number of prominent tariff reformers who had

long advocated a protective or revenue tariff for the United Kingdom under which a preference could be given to Colonial products, and advantageous agreements negotiated with other countries for the encouragement of British foreign trade. The "political truce" with which the coalition was supposed to be accompanied, has prevented revival of the tariff reform movement by these advocates, but the tariff conference is hailed by many as renewing the necessity for abandonment of Free Trade on the score that it opens the rich United Kingdom markets to the world, while British exporters are confronted by high tariff walls throughout the world. Free Traders insist that the war has proved the value of this policy to England.

Prime Minister Hughes, of Australia, appears to have been the most emphatic. At the close of the Conference he said:

"The interest, aims and striving of each of our partners in the common struggle, which will follow this war, are confronted with two dangers of unequal magnitude,—annihilation by the enemy, who will thwart every attempt on the part of each separate state to maintain its independence, and a number of disadvantages accruing from the concessions to each other which constitute the price they must pay for successful combination."

The renewed activity of the tariff movement in England has also increased the agitation of the supporters of free trade. Not only have several of the free trade associations started a renewed campaign in favor of free trade, but also a number of prominent men have come forward in support of it. A statement in favor of free trade circulated in England was signed amongst others by the Earl of Beauchamp, Lord Bryce, Mr. Hirst, etc.

| Scandinavian Nations | | | | Other Neutral Countries in E | | |
|---|---|---|---|---|---|---|
| Sweden | Norway | Denmark | Netherlands | Switzerland | Spain | |
| 2,462,660 | $ 2,688,015 | $ 2,194,485 | $ 6,409,035 | $ 170,120 | $ 1,560,895 | $ |
| 18,099,155 | 8,911,960 | 11,945,390 | 10,306,275 | 374,495 | 11,547,865 | 1,2 |
| 20,078,465 | 18,701,770 | 5,304,430 | 58,742,805 | 19,460,005 | 25,520,690 | 8,1 |
| 41,101,930 | 30,737,110 | 30,111,480 | 77,145,720 | 21,062,005 | 39,257,870 | 9,7 |
| 1,723,000 | 375,800 | 1,820,600 | 3,813,200 | 15,514,200 | 210,600 | 1 |
| 2,074,400 | 495,200 | 3,669,600 | 5,331,200 | 34,690,000 | 10,547,800 | 3 |
| 713,200 | 1,182,000 | 1,782,000 | 5,887,200 | 31,103,400 | 15,357,200 | 1,5 |
| 4,510,600 | 2,053,000 | 7,272,200 | 15,031,600 | 81,307,600 | 28,012,600 | 2,1 |
| | | | 56,600,372 | | | 8,6 |
| | | | 17,676,467 | | | 5 |
| | | | 184,310 | | | 4 |
| 5,157,361 | 2,223,820 | 19,042,682 | 73,951,761 | 158,969 | 1,376,764 | 10,1 |
| Not recorded | 1,000 | Not recorded | Not recorded | 89,600 | Not recorded | 1,0 |
| | | | | | | |
| 3,242,400 | 3,596,200 | 3,501,600 | 73,519,800 | 1,432,400 | 8,884,200 | 3,5 |
| 176,500 | 196,700 | 798,600 | 1,577,400 | Not recorded | 6,654,800 | Not r |
| 895,800 | 884,200 | 857,200 | 3,214,400 | 49,832,600 | 3,622,000 | 2,9 |
| 8,100,000 | 11,150,000 | 16,850,000 | 25,150,000 | 15,150,000 | 125,000 | 1 |
| 7,400,000 | 1,700,000 | 7,825,000 | 40,525,000 | 16,275,000 | 2,075,000 | 6 |
| 4,625,000 | 2,150,000 | 3,425,000 | 12,650,000 | 17,550,000 | 2,150,000 | 9 |
| 37,300,000 | 25,275,000 | 42,800,000 | 94,975,000 | 84,600,000 | 30,475,000 | 32,3 |
| 57,450,000 | 40,433,500 | 70,972,000 | 173,411,500 | 134,019,250 | 35,756,250 | 35,0 |
| 2,141,000 | 912,200 | 2,019,000 | 7,112,200 | 33,413,800 | 1,733,000 | 25,5 |
| Not recorded | 17,200 | Not recorded | 442,200 | 48,000 | 17,800 | 2 |
| Not recorded | Not recorded | Not recorded | 1,838,830 | Small | Small | 2,6 |
| X | 13,508,501 | 17,551,270 | 48,046,357 | 169,267 | 2,484,911 | 1 |
| 6,670,500 | X | 2,295,200 | 5,021,500 | 42,750 | 3,127,500 | |
| 2,955,200 | 2,187,200 | X | 729,200 | Not recorded | 137,000 | Not r |
| 10,433,600 | Not recorded | 7,304,000 | X | Not recorded | 4,770,800 | 2,4 |
| 1,820,000 | 720,000 | 1,360,000 | 2,300,000 | X | 6,140,000 | 1,6 |

# CHART I. United States—Inter-European Commercial Treaty Fabric. Showing Treaties in effect and those abrogated by war.

**CHART 1.** Showing the date of the most important agreements, conventions, etc., regulating commercial intercourse between the United States, the Powers of Europe, and among the latter. Agreements abrogated by the present war are indicated by red cross lines.

The figures show the month, day and year when the convention was signed. The commercial relations of the European Powers are based on a network of agreements, conventions and orders in council. The figures represent as a rule, commercial agreements. Some of the exceptions and interesting facts are specially indicated.

| | United Kingdom | France | Russia | Servia | Montenegro | Belgium | Portugal | Italy | Germany | Austria-Hungary | Bulgaria | Turkey | Sweden | Norway | Denmark | Holland | Switzerland | Spain | Roumania | Greece |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Allied Group** | | | | | | | | | | | | | | | | | | | | |
| United Kingdom. | X | 2.28.82 exchange of notes | 1.12.59 | 2.17.07 | 1.11.10 | 1.27.98 exchange of notes | 8.12.14 | 6.15.83 | 12.20.11 Germ. ord. in council | 12.5.76 | 12.9.05 | 4.25.07 | 7.16.24 | 7.16.24 | 6.6.24 | 3.17.24 | 9.6.55 | 6.20.94 | 10.31.05 | 11.23.04 |
| France | 2.28.82 exchange of notes | X | 9.16.05 | 12.23.06 | 6.30.92 | 7.23.73 | 2.17.11 | 12.12.98 | 5.10.71 peace of Frankfort | 2.18.84 | 6.4.97 | same treatment as other nations | 12.2.08 | 1.13.92 | 2.9.10 | 4.19.84 | 10.20.06 | 2.6.82 | 3.6.07 | 11.24.90 |
| Russia | 1.12.59 | 9.16.05 | X | 2.15.07 | 12.15.09 | | 10.30.06 | 6.28.07 | 7.28.04 | 2.15.06 | 2.23.05 | 1879 peace of Constantinople | 7.27.06 | 5.8.38 | 3.2.95 | | 12.26.72 | 7.2.87 | 2.24.06 | |
| Servia | 2.17.07 | 12.23.06 | 2.15.07 | X | 1.1.05 | 4.24.07 | 9.3.10 | 1.14.07 | 11.29.04 | 7.27.10 | old aggreements re-established | 5.28.06 re-established after war | 3.29.07 | 2.24.09 | 11.17.09 | 10.17.81 | 2.28.07 | 11.5.08 | 12.23.06 | 6.17.94 |
| Montenegro | 1.11.10 | 6.30.92 | 12.15.09 | 1.1.05 | X | | | 5.29.04 | 6.18.07 | 2.6.11 | 5.9.09 re-established after war | 2.19.09 re-established after war | | | | 9.25.08 | 12.31.10 | | | 3.4.08 |
| Belgium | 1.27.98 exchange of notes | 7.23.73 | | 4.24.07 | | X | 2.23.74 | 12.11.82 | 6.22.04 | 2.12.06 | 8.16.08 | | 6.11.95 | 6.27.10 | 6.18.95 | a number of special agreements | 7.3.89 | 5.11.78 | 5.23.06 | 10.19.04 |
| Portugal | 8.12.14 | 2.17.11 | 10.30.06 | 9.3.10 | | 2.23.74 | X | 5.9.11 | 9.30.08 | 7.8.11 | 6.4.10 | 1.11.90 | 4.16.04 | 12.31.95 | 12.20.87 | 1.9.75 | 12.20.05 | 3.27.93 | | |
| Italy | 6.15.83 | 12.12.98 | 6.28.07 | 1.14.07 | 5.29.04 | 12.11.82 | 5.9.11 | X | 12.6.91 | 2.11.06 | 1.13.06 | 7.10.61 | 6.14.62 | 6.14.62 | 5.1.64 | 11.24.63 | 7.13.04 | 7.13.14 | 11.22.06 | 12.30.99 |
| **Central Group** | | | | | | | | | | | | | | | | | | | | |
| Germany | 12.20.11 Germ. order in council | 5.10.71 peace of Frankfort | 7.28.04 | 11.29.04 | 6.18.07 | 6.22.04 | 9.30.08 | 12.6.91 | X | 1.25.05 | 8.1.05 | 8.26.90 | 5.8.06 | a number of old agreemeots | 6.17.18 | 12.31.51 | 11.12.04 | 6.15.07 | 1916 | 7.9.84 |
| Austria-Hungary | 12.5.76 | 2.18.84 | 2.15.06 | 7.27.10 | 2.6.11 | 2.12.06 | 7.8.11 | 2.11.06 | 1.25.05 | X | 12.24.06 | 2.26.09 | 11.3.73 | 11.3.73 | 3.14.87 | 12.12.88 | 3.9.06 | 6.3.80 | 12.9.03 4.10.09 | |
| Bulgaria | 12.9.05 | 6.4.97 | 2.22.05 | old agreement re-established | 5.9.09 re-established after war | 8.16.08 | 6.4.10 | 1.13.06 | 8.1.05 | 12.24.06 | X | 2.6.11 | 5.10.06 | 21.10.00 | 12.10.09 | 6.24.97 | 2.28.97 | 9.22.08 | 11.20.07 | re-established after war |
| Turkey | 4.25.07 | same treatment as other nations | 1879 peace of Constantinople | 5.28.06 re-established after war | 2.19.09 re-established after war | | 1.11.90 | 7.10.61 | 8.26.90 | 2.26.09 | 2.6.11 | X | 10.14.1756 | 10.14.1756 6.13.07 | | | exchange of notes | | 8.12.01 | 4.12.03 re-established after war |
| **Scandinavian Countries** | | | | | | | | | | | | | | | | | | | | |
| Sweden | 7.16.24 | 12.2.08 | 7.27.06 | 3.29.07 | | 6.11.95 | 4.16.04 | 6.14.62 | 5.8.06 | 11.3.73 | 5.10.06 | 10.14.1756 | X | 10.26.05 | 9.2.26 | 9.25.47 12.15.08 | | 3.5.83 | 3.3.10 | 10.15.52 |
| Norway | 7.16.24 | 1.13.92 | 5.8.38 | 2.24.09 | | 6.27.10 | 12.31.95 | 6.14.62 | a oumber of old agreements | 11.3.73 | 21.10.00 | 10.14.1756 6.13.07 | 10.26.05 | X | 11.2.26 | 9.10.55 | 5.5.06 | 8.25.03 | 3.18.10 | 10.15.52 |
| Denmark | 6.6.24 | 2.9.10 | 3.2.95 | 11.17.09 | | 6.18.95 | 12.20.87 | 5.1.64 | 6.17.18 | 3.14.87 | 12.10.09 | | 9.2.26 | 11.2.26 | X | 12.2.26 | 2.10.75 | 7.4.93 | 6.11.10 | |
| **Other Neutrals** | | | | | | | | | | | | | | | | | | | | |
| Holland | 3.17.24 | 4.19.84 | | 10.17.81 | 9.25.08 | a oumber of special agreements | 1.9.75 | 11.24.63 | 12.31.51 | 12.12.88 | 6.24.97 | | 9.25.47 12.15.08 | 9.10.55 | 12.2.26 | X | 8.19.75 | 7.12.92 | 3.15.99 | |
| Switzerland | 9.6.55 | 10.20.06 | 12.26.72 | 2.28.07 | 12.31.10 | 7.3.89 | 12.20.05 | 7.13.04 | 11.12.04 | 3.9.06 | 2.28.97 | exchange of notes | | 5.6.06 | 2.10.75 | 8.19.75 | X | 9.1.06 | 6.3.93 | 6.10.87 |
| Spain | 6.20.94 | 2.6.82 | 7.2.87 | 11.5.08 | | 5.11.78 | 3.27.93 | 7.13.14 | 6.15.07 | 6.3.80 | 9.22.08 | | 3.5.83 | 8.25.03 | 7.4.93 | 7.12.92 | 9.1.06 | X | 11.18.08 | 9.23.03 |
| Roumania * | 10.31.05 | 3.6.07 | 2.24.06 | 12.23.06 | | 5.23.06 | | 11.21.06 | 1916 | 12.9.03 4.10.09 | 11.20.07 | 8.12.01 | 3.3.10 | 3.18.10 | 6.11.10 | 3.15.99 | 6.3.93 | 11.18.08 | X | 12.19.00 |
| Greece | 11.23.04 | 11.24.90 | | 6.17.94 | 3.4.08 | 10.19.04 | | 12.30.99 | 7.8.84 | | re-established after war | 4.12.03 re-established after war | 10.15.52 | 10.15.52 | | | 6.10.87 | 9.23.03 | 12.19.00 | X |
| U. S. A. | Convention of Commerce and Navigation of 7.3.15 contio. indefinitely by convention, 8.6.27. | French law of 3.29.10 allowing pref. treatment for certain U. S. products. | No treaty. | Convention of 10.14.81 secures for U. S. products unconditional most favored nation treatment. | No treaty. | Treaty of Com. and Nav. of 3.8.75 gives most favored nation treatment to U. S. | No treaty. | Treaty of Com. and Nav. of 2.26.71 gives most favored nation treatment to U. S. | Imperial law of 2.5.10 gives most favored nation treatment, where conventional rates were in existence on that date. | Treaty of Com. and Nav. of 8.27.29, most favored nation treatment. | No treaty. | Turkey imposes a uniform duty on all imports. | Treaty of 7.4.27 gives most favored nation treatment. | Norway took over treaty obligation of Sweden. | Convention of friendship of 4.26.26 allows most favored nation treatment to U. S. goods. | Treaty of Com. and Nav. of 1.19.39. Convention of Com. and Nav. of 8.26.51 provide for most favored nation treatment. | Convention of friendship, etc. of 8.25.50 still partly in force. | No treaty. | No treaty. | Treaty of Com. and Nav. of 12.22.37 secures most favored nation treatment. |

Note:—In such cases where several agreements exist the date represents either the most important or the latest concluded. In the case of open spaces there is the presumption that no agreement is in existence as no public records could be found.

The Balkan States re-established their former commercial relations at the end of the Balkan war, 1913-1914. Notation "re-established after war" refers to the Balkan war.
* Since this chart was prepared Roumania has joined the Entente Allies.

# CHART II. Commercial Intercourse United States—Europe

**The figures represent the value of exports as represented in the official statistics of the country, the name of which appears on the left side of Chart. Figures refer as a rule to 1913, exceptions are specially marked.**

| Export from/to | | United Kingdom | France | Russia | Servia | Montenegro | Belgium | Portugal | Italy | Germany | Austria-Hungary | Bulgaria | Turkey | Sweden | Norway | Denmark | Netherlands | Switzerland | Spain | Roumania | Greece | United States |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | **Allied Group** | | | | | | | | **Central Group** | | | | **Scandinavian Nations** | | | **Other Neutral Countries in Europe** | | | | | |
| United Kingdom | Food, drink and tobacco, | X | $ 5,526,180 | $ 10,842,655 | | | $ 7,219,015 | $ 439,915 | $ 1,229,930 | $ 20,067,210 | $ 227,760 | $ 35,315 | $ 1,142,940 | $ 2,462,660 | $ 2,688,015 | $ 2,194,485 | $ 6,409,035 | $ 170,120 | $ 1,560,895 | $ 69,165 | $ 405,540 | $ 10,038,650 |
| | Raw materials and articles mainly unmanufactured | | 47,419,410 | 27,615,555 | $ 188,030 | $ 10,885 | 13,412,100 | 5,008,120 | 38,945,135 | 33,602,410 | 5,356,550 | 257,685 | 1,945,430 | 18,099,155 | 8,911,960 | 11,945,390 | 10,306,275 | 374,495 | 11,547,865 | 1,282,980 | 3,003,375 | 18,194,335 |
| | Articles wholly or mainly manufactured | | 87,128,215 | 50,831,460 | | | 42,257,125 | 10,694,240 | 30,835,880 | 135,035,740 | 15,519,955 | 2,028,775 | 35,474,740 | 20,078,465 | 18,701,770 | 5,304,430 | 58,742,805 | 19,460,005 | 25,520,690 | 8,160,065 | 9,110,345 | 115,243,780 |
| | Total | | 144,664,940 | 90,513,415 | | | 66,198,665 | 16,353,505 | 73,050,285 | 203,385,150 | 22,403,840 | 2,356,895 | 38,808,230 | 41,101,930 | 30,737,110 | 30,111,480 | 77,145,720 | 21,062,005 | 39,257,870 | 9,735,990 | 12,683,390 | 146,470,980 |
| France, 1912 | Foodstuffs, | $ 40,803,000 | | 1,764,800 | 3,200 | 400 | 17,687,800 | 237,400 | 3,387,600 | 15,325,600 | 154,600 | 180,600 | 1,119,800 | 1,723,000 | 375,800 | 1,820,600 | 3,813,200 | 15,514,200 | 210,600 | 189,800 | 356,000 | 6,744,000 |
| | Articles necessary for manufacturing purposes, manufactured goods | 56,449,000 | X | 4,337,400 | 3,600 | 200 | 108,682,400 | 616,200 | 32,351,200 | 70,681,800 | 1,628,000 | 694,600 | 1,768,600 | 2,074,400 | 495,200 | 3,669,600 | 5,331,200 | 34,690,000 | 10,547,800 | 395,600 | 374,800 | 25,999,400 |
| | Total | 175,047,600 | | 6,340,000 | 56,200 | 1,400 | 102,389,800 | 4,625,600 | 24,712,600 | 78,337,200 | 7,885,600 | 1,019,800 | 14,505,200 | 713,200 | 1,182,000 | 1,782,000 | 5,387,200 | 31,103,400 | 15,357,200 | 1,515,200 | 3,242,800 | 53,328,400 |
| | | 272,299,600 | | 12,442,200 | 63,000 | 2,000 | 228,760,000 | 5,479,200 | 60,451,400 | 164,344,600 | 9,668,200 | 1,895,000 | 17,393,600 | 4,510,600 | 2,053,000 | 7,272,200 | 15,031,600 | 81,307,600 | 28,012,600 | 2,100,600 | 3,972,600 | 146,271,800 |
| Russia, 1912 | Foodstuffs, | 76,836,460 | 24,910,171 | | | | 6,350,649 | | 25,674,955 | 122,947,895 | 16,679,673 | 62,499 | | | | | 55,600,372 | | | 8,621,490 | | 215,839 |
| | Raw materials and partly manufactured goods, manufactured goods | 85,004,371 | 18,716,395 | X | | | 22,751,510 | | 552,337 | 88,969,934 | 16,460,505 | 244,521 | | | | | 17,676,467 | | | 599,574 | | 8,597,100 |
| | Total | 1,547,600 | 443,648 | | | | 295,191 | | 6,814 | 2,603,884 | 836,562 | 1,186,027 | | | | | 184,310 | | | 453,047 | | 188,439 |
| | | 168,915,370 | 49,078,384 | | 318,388 | Not recorded | 29,460,936 | 343,714 | 26,237,955 | 226,913,947 | 36,704,288 | 1,771,815 | 15,063,051 | 5,157,361 | 2,223,820 | 19,042,682 | 73,951,761 | 158,969 | 1,376,764 | 10,161,683 | 4,312,940 | 9,003,507 |
| Servia, 1912 | | 3,200 | 589,800 | 17,400 | X | 1,400 | 835,600 | Not recorded | 777,000 | 3,655,800 | 7,209,000 | 317,600 | 1,238,000 | Not recorded | 1,000 | Not recorded | Not recorded | 89,600 | Not recorded | 1,094,800 | 600 | |
| Montenegro | Total export, 1910, $498,250 | | | | | X | | | | | | | | | | | | | | | | For commerce with U. S. see statistic below |
| Belgium, 1912 | | 118,925,000 | 150,462,800 | 16,697,200 | Not recorded | Not recorded | X | 3,649,800 | 14,970,200 | 201,491,800 | 9,224,800 | 838,000 | 8,789,200 | 3,242,400 | 3,596,200 | 3,501,600 | 73 519,800 | 1,432,400 | 8,884,200 | 3,554,200 | 1,405,400 | |
| Portugal, 1912 | For exchange purposes the mil reis has been taken=$1.00 | 9,668,000 | 980,600 | 1,160,100 | Not recorded | Not recorded | 1,900,100 | X | 703,800 | 6,364,400 | 111,700 | Not recorded | 23,600 | 176,500 | 196,700 | 798,600 | 1,577,400 | Not recorded | 6,654,800 | Not recorded | Not recorded | |
| Italy | | 52,100,200 | 46,296,200 | 12,196,000 | 34,800 | Not recorded | 11,557,600 | 1,982,400 | X | 68,686,800 | 44,229,400 | 1,346,400 | 9,869,400 | 895,800 | 884,200 | 857,200 | 3,214,400 | 49,832,600 | 3,622,000 | 2,927,800 | 3,631,200 | |
| Germany | Germany exported during 1913 $462,250,000 to the countries forming the British Empire. Foodstuffs, | 75,500,000 | 21,675,000 | 3,625,000 | 400,000 | 2,500 | 11,375,000 | 2,000,000 | 3,125,000 | | 10,950,000 | 100,000 | 2,000,000 | 8,100,000 | 11,150,000 | 16,850,000 | 25,150,000 | 15,150,000 | 125,000 | 150,000 | 325,000 | 10,425,000 |
| | Raw materials | 18,225,000 | 28,975,000 | 34,300,000 | 325,000 | 2,500 | 35,775,000 | 700,000 | 8,100,000 | X | 78,500,000 | 75,000 | 175,000 | 7,400,000 | 1,700,000 | 7,825,000 | 40,525,000 | 16,275,000 | 2,075,000 | 650,000 | 275,000 | 33,325,000 |
| | Half manufactured goods | 30,350,000 | 32,025,000 | 23,950,000 | 125,000 | — | 21,075,000 | 425,000 | 11,000,000 | | 44,425,000 | 75,000 | 550,000 | 4,625,000 | 2,150,000 | 3,425,000 | 12,650,000 | 17,550,000 | 2,150,000 | 925,000 | 325,000 | 10,975,000 |
| | Manufactured goods | 235,350,000 | 114,600,000 | 162,675,000 | 4,000,000 | 32,500 | 69,425,000 | 9,900,000 | 76,050,000 | | 141,725,000 | 7,325,000 | 21,875,000 | 37,300,000 | 25,275,000 | 42,800,000 | 94,975,000 | 84,600,000 | 30,475,000 | 32,300,000 | 5,150,000 | 124,050,000 |
| | Total | 359,556,275 | 199,976,500 | 239,549,800 | 4,852,250 | 37,250 | 137,998,750 | 13,013,500 | 98,357,750 | | 276,208,000 | 7,582,500 | 24,604,000 | 57,450,000 | 40,433,500 | 70,972,000 | 173,411,500 | 134,019,250 | 35,756,250 | 35,008,000 | 6,086,250 | 178,272,000 |
| Austria | | 55,443,800 | 16,248,600 | 23,065,000 | 11,103,800 | 1,071,000 | 8,479,000 | 772,000 | 45,245,000 | 228,545,000 | X | 7,729,000 | 20,567,600 | 2,141,000 | 912,200 | 2,019,000 | 7,112,200 | 33,413,800 | 1,733,000 | 25,598,000 | 7,046,800 | |
| Bulgaria | | 4,847,600 | 2,223,800 | 67,200 | 122,300 | Not recorded | 1,758,600 | Not recorded | 789,600 | 4,582,400 | 2,113,400 | X | 5,846,000 | Not recorded | 17,200 | Not recorded | 442,200 | 48,000 | 17,800 | 249,200 | 2,534,000 | |
| Turkey, 1911-1912 | | 26,198,920 | 20,606,705 | 4,176,765 | 589,885 | Small | 3,058,050 (1910) | Not recorded | 2,435,740 | 6,663,690 | 15,226,885 | 3,011,410 | X | Not recorded | Not recorded | Not recorded | 1,838,830 | Small | Small | 2,672,285 | 1,929,810 | |
| Sweden | | 59,471,191 | 16,565,075 | 11,744,196 | 71,574 | 616 | 4,649,459 | 624,827 | 1,110,671 | 44,769,148 | 802,380 | 80,829 | 268,072 | X | 13,508,501 | 17,551,270 | 48,046,357 | 169,267 | 2,484,911 | 159,026 | 175,075 | |
| Norway | | 26,199,250 | 3,784,500 | 3,857,750 | 250 | Not recorded | 3,703,500 | 2,656,000 | 2,767,250 | 22,453,750 | 451,750 | 19,500 | 133,200 | 6,670,500 | X | 2,295,200 | 5,021,500 | 42,750 | 3,127,500 | 19,500 | 43,000 | For commerce with U. S. see statistic below |
| Denmark | | 79,604,400 | 636,400 | 2,117,400 | Not recorded | Not recorded | 432,400 | Not recorded | 121,200 | 31,747,400 | Not recorded | Not recorded | Not recorded | 2,955,200 | 2,187,200 | X | 729,200 | Not recorded | 137,000 | Not recorded | Not recorded | |
| Netherlands | | 262,526,000 | 12,569,200 | 12,258,400 | Not recorded | Not recorded | 135,851,200 | 3,778,800 | 8,895,600 | 591,138,800 | 1,416,800 | Not recorded | 8,317,200 | 10,433,600 | Not recorded | 7,304,000 | X | Not recorded | 4,770,800 | 2,467,600 | 2,114,400 | |
| Switzerland | | 47,240,000 | 28,240,000 | 11,740,000 | 360,000 | Not recorded | 5,640,000 | 1,100,000 | 19,840,000 | 61,140,000 | 15,680,000 | 420,000 | 2,560,000 | 1,820,000 | 720,000 | 1,360,000 | 2,300,000 | X | 6,140,000 | 1,600,000 | 500,000 | |
| Spain | | 46,314,200 | 65,548,800 | 1,657,600 | Not recorded | Not recorded | 9,057,600 | 9,473,600 | 6,944,400 | 14,883,800 | 1,759,400 | 200 | 1,152,200 | 367,200 | 448,000 | 836,000 | 12,774,800 | 281,900 | X | 2,600 | Not recorded | |
| Roumania, 1911 | *** | 1,119,600 | 9,775,800 | 1,394,200 | 143,200 | Not recorded | 52,693,600 | Not recorded | 9,918,400 | 6,601,600 | 1,257,500 | 118,900 | 420,600 | Not recorded | Not recorded | Not recorded | 15,381,400 | 38,600 | 947,400 | X | 161,600 | |
| Greece, 1912 | | 2,988,515 | 3,965,280 | 467,910 | Not recorded | Not recorded | 1,059,330 | Not recorded | 2,307,635 | Not recorded | 3,556,915 | 2,156,565 | 1,178,440 | Not recorded | Not recorded | Not recorded | 2,222,640 | 256,975 | Not recorded | 198,480 | X | |

**Commercial intercourse of United States with European Countries at war and European Neutrals.**

| | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| United States 1913 | Total exports* | $ 546,997,911 | $ 146,100,201 | $ 25,363,795 | $ 7,616 | .. | .. | $ 66,845,462 | $ 4,167,158 | $ 76,285,278 | $ 331,684,212 | $ 23,320,696 | $ 103,749 | $ 2,217,073 | $ 12,104,366 | $ 8,391,458 | $ 18,687,794 | $ 125,909,862 | $ 826,549 | $ 31,471,723 | $ 2,417,591 | $ 1,216,195 |
| | Total imports* | 295,564,940 | 136,877,990 | 26,958,690 | 695,053 | .. | .. | 41,941,014 | 6,870,223 | 54,107,364 | 188,963,071 | 19,192,414 | 440,537 | 9,917,890 | 11,174,419 | 8,418,359 | 2,974,670 | 36,180,967 | 23,260,180 | 23,220,012 | 348,481 | 3,179,816 |

*From United States statistics.

**United States statistics do not record exports in large groups to individual countries. The detailed figures given here represent imports of U. S. Merchandise into United Kingdom, France, Russia and Germany as contained in the statistics of these countries. Differences in the system of valuation are responsible for the apparent discrepancies between the American export values and those recorded by the receiving countries.

*** Since this chart was prepared Roumania has joined the Entente Allies.

## Commercial intercourse of Japan with countries at war and United States

(From Japanese statistics)

1913

| | Import | Export |
|---|---|---|
| United Kingdom | $ 61,368,485 | $ 16,434,828 |
| France | 2,914,496 | 30,114,859 |
| Russia | 20,471 | 2,449,710 |
| Servia | .. | .. |
| Montenegro | .. | .. |
| Belgium | 4,724,011 | 1,852,796 |
| Portugal | 8,135 | 7,520 |
| Italy | 538,927 | 14,708,364 |
| Germany | 34,197,399 | 6,565,854 |
| Austria Hungary | 1,945,008 | 468,768 |
| Bulgaria | .. | .. |
| Turkey | 12,873 | 96,900 |
| Allies in Europe | 69,574,525 | 65,568,077 |
| British Colonies | 50,936,220 | 44,605,339 |
| Other allied countries outside Europe | 6,362,595 | 2,663,303 |
| Total Allied Group | $ 126,873,340 | $112,836,719 |
| Total Central Group | $ 36,15 ,280 | $ 7,131,522 |
| United States | $ 61,204,185 | $ 92,236,691 |

## United Kingdom, French, Russian and German Statistics of Imports from the United States

United States statistics do not classify in large groups exports to individual countries, and the United States export statistics are admitted to have no such accurate basis as those of imports which pass through customs houses. The total import value in the countries below given is much higher than the United States statistics of exports, but this is partly due to the fact that the periods covered do not always coincide:

### Imports into Foreign Countries from United States

| | United Kingdom | France |
|---|---|---|
| Foodstuffs | $251,864,060 | $ 10,123,400 |
| Raw materials and articles for manufacturing purposes | 322,645,430 | 149,340,400 |
| Manufactured goods | 131,835,355 | 18,596,600 |
| Total | $708,260,360 | $178,060,400 |

| | Russia | Germany |
|---|---|---|
| Foodstuffs | $ 437,030 | $283,500,000 |
| Raw materials and articles for manufacturing purposes | 28,183,272 | 109,925,000 |
| Manufactured goods | 15,094,610 | 34,250,000 |
| Total | $43,714,913 | $427,779,500 |

urope

| Roumania | Greece | United States |
|---|---|---|
| 69,165 | $ 405,540 | $ 10,038,650 |
| 82,980 | 3,003,375 | 18,194,335 |
| 60,065 | 9,110,345 | 115,243,780 |
| 35,990 | 12,683,390 | 146,470,980 |
| 89,800 | 356,000 | 6,744,000 |
| 95,600 | 374,800 | 25,999,400 |
| 15,200 | 3,242,800 | 53,328,400 |
| 00,600 | 3,972,600 | 146,271,800 |
| 21,490 | | 215,839 |
| 99,574 | | 8,597,100 |
| 53,047 | | 188,439 |
| 61,683 | 4,312,940 | 9,003,507 |
| 94,800 | 600 | For commerce with U. S. see statistic below |
| | | |
| 54,200 | 1,405,400 | |
| ecorded | Not recorded | |
| 27,800 | 3,631,200 | |
| 50,000 | 325,000 | 10,425,000 |
| 50,000 | 275,000 | 33,325,000 |
| 25,000 | 325,000 | 10,975,000 |
| 00,000 | 5,150,000 | 124,050,000 |
| 08,000 | 6,086,250 | 178,272,000 |
| 98,000 | 7,046,800 | For commerce with U. S. see statistic below |
| 19,200 | 2,534,000 | |
| 72,285 | 1,929,810 | |
| 59,026 | 175,075 | |
| 19,500 | 43,000 | |
| ecorded | Not recorded | |
| 37,600 | 2,114,400 | |
| 00,000 | 500,000 | |

## Commercial intercourse of Japan with countries at war and United States

(From Japanese statistics)

1913

| | Import | Export |
|---|---|---|
| United Kingdom | $ 61,368,485 | $ 16,434,828 |
| France | 2,914,496 | 30,114,859 |
| Russia | 20,471 | 2,449,710 |
| Servia | .. | .. |
| Montenegro | .. | .. |
| Belgium | 4,724,011 | 1,852,796 |
| Portugal | 8,135 | 7,520 |
| Italy | 538,927 | 14,708,364 |
| Germany | 34,197,399 | 6,565,854 |
| Austria Hungary | 1,945,008 | 468,768 |
| Bulgaria | .. | .. |
| Turkey | 12,873 | 96,900 |
| Allies in Europe | 69,574,525 | 65,568,077 |
| British Colonies | 50,936,220 | 44,605,339 |
| Other allied countries outside Europe | 6,362,595 | 2,663,303 |
| Total Allied Group | $ 126,873,340 | $112,836,719 |
| Total Central Group | $ 36,15[illegible],280 | $ 7,131,522 |
| United States | $ 61,204,185 | $ 92,236,691 |

## United Kingdom, French, Russian and German Statistics of Imports from the United States

United States statistics do not classify in large groups exports to individual countries, and the United States export statistics are admitted to have no such accurate basis as those of imports which pass through customs houses. The total import value in the countries below given is much higher than the United States statistics of exports, but this is partly due to the fact that the periods covered do not always coincide:

### Imports into Foreign Countries from United States

| | United Kingdom | France |
|---|---|---|
| Foodstuffs | $251,864,060 | $ 10,123,400 |
| Raw materials and articles for manufacturing pur- | | |

# SHIPPING

The Paris resolutions are general in their reference to preferential shipping policy and the possible measures thereof have been but little discussed in the British press. The *Daily Chronicle* (Liberal) however calls for the "better utilization of the Allied mercantile marines," and goes on to say:

"All Allied shipping should be pooled, and there should be unified control in each country for the period of the war, and for at least a year afterwards. There will be a serious shortage of shipping when the accumulation of products and material is set free for shipments, and when general industries are restarted in the belligerent countries. But unified State control of all shipping will involve the better organization of Allied resources in general. I have discussed the subject with several members of the French Government, and the plan is welcomed by them. The fuller control of shipping is therefore an immediate need and of future advantage to the Allied powers. As England has requisitioned at least sixty per cent. of British mercantile shipping, it should be a simple, practical measure to control the remainder. If in each Allied country there was one control, and uniform action among the Allies, shipping would be used to greater economic advantage, and the freight charges of neutrals could be lowered rather than increased."

The foregoing prompted *"Fair Play,"* one of the leading shipping finance journals of England to retort:

"If the suggestion of the *Daily Chronicle* were carried out, we, who possess 21,000,000 tons of shipping, would have to pool our fleet with those owned by our Allies, and when it is remembered that the steam tonnage of France totals 1,909,609 tons, of Italy 1,513,631 tons, of Russia 851,951 tone, of Belgium 269,252 tons, of Japan 1,826,068 tons with Servia and Montenegro owning nothing, and that our vote would be of equal value with that of Montenegro, even the imagination of the *Daily Chronicle* would surely falter at the position of our shipowners and of the various industries in this country in need of tonnage. That such a policy would be 'welcomed' by our Allies I have no doubt, and that it would be for their future advantage is undeniable seeing that for them to have the use of our fleet at Blue Book rates, while our merchants, to meet their own

requirements, had to charter neutral tonnage at unheard-of-cost, would be a bit of business which even the best of friends could well refuse.

"If Great Britain is to bear her share in the economic struggle which will ensue after the war between the Allies on one side and enemy countries and neutrals on the other, the first essential is that British shipowners should resume full and free control of their vessels, with power to sell their space in whatever way may be considered by them to be best."

*"Fair Play"* insists that as one of the terms of peace, Germany must be compelled to give ton for ton of her own shipping to replace the vessels lost as a direct result of the war, a policy whereby "each nation could re-establish itself in its own relative pre-war position."

# EUROPEAN TARIFF SYSTEMS BEFORE THE WAR

Several tariff systems had been long established in Europe at the outbreak of the war and are now operative except in so far as war conditions have modified them. The most popular has been that of a general tariff modified by a conventional tariff established through reciprocity negotiations with other countries. Some governments have preferred a less elastic system and used a dual tariff with fixed rates in each schedule. In France this is called the "general and minimum tariff," and in Spain, the "first and second tariff." Germany, whose commercial relations are, for the most part, supported by a general tariff modified by commercial treaties, has also established a few fixed minimum rates. While there is technically a great difference between a general tariff modified by conventional tariff arranged by negotiation and the minimum and maximum system, they are identical in possessing two schedules of which the lower is applied to those nations with which close relations are necessary, and the higher against those countries whose commercial friendship is unimportant or undesired or where treaty relations have been interrupted by a tariff war. Several nations maintain single tariffs similar to that now in force in the United States, but the exigencies of commerce with contiguous territories have compelled modification by agreements not necessarily in the form of a treaty. Protective tariff countries frequently extend preferences to their colonies. Free trade England cannot, but her chief overseas dominions accord British products a substantial tariff preference. At the beginning of the war Canada and certain other colonies increased their tariffs to raise war revenue, but the increase was greater on neutral than on British goods, thus enhancing the British preference.

The net result of the operation of these systems before the war was practically to eliminate the higher European tariff rates, the commercial intercourse thereupon settling down to a general level of conventional or minimum rates.

No European country was in a position to close a preferential agreement with another without disrupting the whole treaty fabric. International competition, particularly in manufactures, had become

intense. Germany had declared her intention of probably terminating all existing agreements at the end of 1917 and for that purpose special agreements had been made in several cases. A new German general tariff was in course of preparation. Russia was considering a tariff revision and the British tariff reform movement was showing signs of revival in anticipation of German termination of existing commercial treaties and tariff revision about 1917. France was restless under the permanency of Article XI of the Treaty of Frankfort which ended the Prussian War, and which obligated France and Germany mutually to the most-favored-nation relation. A brief description of the system in each European country follows (modifications due to war policy not being mentioned).

AUSTRIA-HUNGARY: General tariff modified by conventional rates, practically all the latter extending to commodities imported from adjacent countries. Commercial treaties with Germany, Russia, Switzerland, Italy, Roumania, Servia and a few others provide for special conventional rates which also extend to the other treaty countries.

BELGIUM: Single tariff.

BULGARIA: General and conventional tariff. The rates of the latter result from the treaties with Austria-Hungary, Belgium, Great Britain, Germany, France and Italy. They also apply to treaty countries.

DENMARK: General tariff, allowing only a few exceptions in the case of commerce with contiguous countries.

UNITED KINGDOM: Free trade, imposing import duties only in a few cases for revenue purposes.*

FRANCE: General and minimum tariff. Imports from treaty countries receive the lower rates of the minimum tariff.

GERMANY: General and conventional tariff. Rates of the con-

*Under a House of Commons resolution, dated September 21, 1915, the duties on a number of articles of ordinary import tariff were increased. Also the following new rates of duty were introduced:

| | |
|---|---|
| Motor cars, including motor bicycles and motor tricycles | 33 1/3% |
| Accessories for the above | |
| Musical instruments, including gramaphones, pianolas, etc | |
| Accessories for the above | |
| Clocks, watches and component parts | |
| Hats | |
| Plate glass, per cwt | 9s 6d |
| Cinematograph film, per linear foot— | |
| Blank film | ½d |
| Positives | 1d |
| Negatives | 8d |

By several Orders in Council the British Government also has restricted or entirely suspended the importation of certain luxuries, as fruits, motor cars, high-class woods, etc., or made the importation of these articles dependent upon a government license.

ventional tariff extended to all European countries by treaty. Minimum rates on some commodities.

GREECE: General and conventional tariff.

HOLLAND: Single tariff. Government has power to modify specified rates in the interest of the home industries.

ITALY: General tariff accompanied by conventional rates in treaties with France, Austria-Hungary, Switzerland, Germany, Roumania, Russia, Servia, Japan and Spain. Conventional rates apply also to all countries giving Italy most-favored-nation treatment.

MONTENEGRO: Minimum and maximum tariff specifying only 37 articles.

NORWAY: Maximum and minimum tariffs are in use. The rates of the latter apply to treaty countries.

PORTUGAL: Single tariff with a few conventional rates.

ROUMANIA: General and conventional tariff. The rates of the conventional tariff extended in the treaties with England, Austria-Hungary, Germany, Belgium, France and Italy.

RUSSIA: General and conventional tariff, the latter resulting from treaties with Germany, France, Austria-Hungary, Portugal, Servia and Italy. These rates apply also to countries extending most-favored-nation treatment to Russian commodities, the imports of all others entering under the general rates.

SERVIA: General and conventional tariff. The rates of the latter apply to treaty countries, including Austria-Hungary, England, Germany, France, Montenegro, Switzerland, Italy, Belgium and Turkey.

SPAIN: First and second tariff. The lower rates apply to treaty countries.

SWEDEN: General and conventional tariff.

SWITZERLAND: General and conventional tariff.

TURKEY: Single tariff.

# EUROPEAN COMMERCIAL TREATY RELATIONS

(SEE ALSO CHART I)

The commercial relations among European nations before the war and between them and the United States and other non-European countries rested upon commercial treaties, conventions, and "orders-in-council" (or their equivalent), the latter usually resulting from conversations between the governments not always laid down in writing. The twin keys of the tariff situation have been British free trade and the most-favored-nation provision of the Frankfort peace treaty of 1871 which ended the Franco-Prussian war. No European government had reason to discriminate against products of the British Isles which offered the world's greatest free market. Neither France nor Germany could extend any tariff concession to a third that they did not accord each other, although French interests have complained that ingenious "specialization" of the German tariff really did discriminate against France.

## Treaties Abrogated by War

A brief outline of the treaties between Germany and the Allied Powers, abrogated by the war, is of interest, for the future relations of these countries will dèpend upon the character of the treaties to replace them. In the event of Allied success the Paris Conference resolutions if carried out would forbid the renewal of treaty relations on the most-favored-nation basis.

BELGIUM-GERMANY: The commercial agreement with Belgium dates from the year 1891 with an additional agreement from 1904. Its conventional duration is to the end of 1917. It is a most-favored-nation treatment, securing even advantages to both nations and necessitating a special agreement about the alteration of certain duties which, of course, had to be extended to all those nations having most-favored-nation treatment with the contracting parties.

FRANCE-GERMANY: After the abrogation by the Franco-Prussian War of the commercial treaty of 1862 a clause was inserted into the peace treaty of Frankfort securing to each country from the other, most-favored-nation treatment to remain in force for all time, but, of course, abrogated by the present war. The agree-

ment was influenced by Germany's change from a low to a protective tariff. It has been held by France that the most-favored-nation clause in the peace treaty and the impossibility of abrogating it has prevented her negotiation with others for special advantages for French commerce, the Treaty of Frankfort requiring that any concessions thus extended be equally extended to Germany.

GREAT BRITAIN-GERMANY: When certain British colonies accorded tariff preferences to products of the United Kingdom and other members of the Empire, but not to outsiders, it became necessary to abrogate the most-favored-nation treaty between Great Britain and Germany. Notice thereof was given by England, whereupon Germany decided to give Great Britain most-favored-nation treatment. This was done by a special order issued by the Bundesrat which was reissued from year to year, and which was also extended to them by order of the Bundesrat against which the British Colonies allowed Germany their general tariff. An exception was Canada which in consequence of the so-called commercial war had levied a surtax on German goods. This was removed after Germany allowed most-favored-nation treatment also to Canada.

JAPAN-GERMANY: The agreement is a most-favored-nation treaty made in 1911 to run to 1923. A clause in the agreement allowed for a change in 1917 of the tariff agreement made at the same time.

PORTUGAL-GERMANY: A most-favored-nation agreement made in 1908, to run for five years and extended.

RUSSIA-GERMANY: The commercial relations with Russia were regulated by an agreement dating from 1894 with an additional agreement of 1904. The agreement is a most-favored-nation agreement. There is also a special protocol dating from 1897. The commercial relations between Russia and Germany had been disturbed for some time before the outbreak of the war, and difficulties arose in consequence of Russia introducing a special import duty on grain and flour.

SERVIA AND MONTENEGRO-GERMANY: Most-favored-nation treaties.

ITALY-GERMANY: The commercial agreement with Italy is a most-favored-nation treaty made in 1891, and was extended in 1904 and again until the end of 1917.

## The Position of Turkey

Turkey had a special position in the European commercial

treaty situation before the war. While the country had concluded a number of commercial agreements dating in several cases back into the eighteenth century, only those relating to direct frontier intercourse had remained of practical value to Turkey. Those agreements were renewed again after the Balkan war in 1913 by the peace treaties of 1914. Under treaty with the European powers Turkey's tariff was limited and extended, with few exceptions, equally to all nations.

## The Balkan Situation

The Balkan States had made among themselves a number of commercial agreements regulating especially frontier intercourse. Most of these agreements were abrogated by the Balkan war and revived by the peace treaties.

## Tariff Relations of the United States with European Belligerents and Neutrals

During the commercial treaty making and the adjustment of inter-European commerce on the most-favored-nation basis from 1871 to 1904, the United States tariff was frequently revised. The annexation of Hawaii with the establishment of free trade with the United States, and the acquisition of Porto Rico and the Philippines with the same ultimate result and the establishment of reciprocal tariff relations with Cuba as a condition of the freedom of that Island, presented several issues with European governments arising from the insistence of the United States upon being accorded most-favored-nation treatment. The United States has taken the position that reciprocal concessions do not constitute a violation of the most-favored-nation obligation; in other words, that, since Cuba gives American imports a preference in exchange for the United States tariff concessions on Cuban imports, the products of other countries which extend no preferenec to the United States are not entitled to the advantages which Cuba enjoys in the American market. The Payne-Aldrich tariff in 1909 anticipated possible European denials of most-favored-nation treatment to the United States when the inter-European commercial treaties might be revised. The maximum and minimum system was adopted, the law providing that a maximum tariff of 25 per cent. ad valorem should be added to the minimum rates imposed upon imports from countries found by the President to discriminate unduly against American products. The operation of this tariff brought the United

## CHART III. Showing commercial relations between United Kingdom, France, Russia, Germany, U. S. A. and principal British dependencies:

**Values in Dollars.**

| | | Import from Canada | Export to Canada | Import from South Africa | Export to South Africa | Import from India | Export to India | Import from Australia | Export to Australia | Import from New Zealand | Export to New Zealand |
|---|---|---|---|---|---|---|---|---|---|---|---|
| United Kingdom, 1913. ** | Foodstuffs | $104,568,130 | $ 9,791,630 | $ 4,290,320 | $ 9,046,565 | $100,165,540 | $ 9,919,040 | $ 77,777,300 | $ 12,012,225 | $ 44,377,905 | $ 4,182,550 |
| | Raw materials and articles mainly unmanufactured | 38,625,310 | 2,466,830 | 56,699,295 | 1,522,115 | 106,767,150 | 2,734,785 | 92,027,475 | 1,659,895 | 57,023,255 | 790,395 |
| | Manufactured articles | 8,389,155 | 100,214,830 | 1,077,880 | 101,417,415 | 34,492,585 | 334,912,215 | 20,293,365 | 156,283,600 | 212,110 | 47,997,760 |
| | Total | 152,441,870 | 118,971,630 | 62,476,755 | 115,118,010 | 242,102,450 | 351,136,725 | 190,326,250 | 172,352,260 | 101,690,285 | 54,188,235 |
| France, 1912 | Foodstuffs | 1,007,800 | 104,800 | 1,746,800 | 109,200 | 9,655,600 | 252,000 | 6,216,000 | 271,200 | | |
| | Raw materials | 217,200 | ——— | 5,138,200 | ——— | 60,528,800 | 80,800 | 46,076,800 | 480,600 | | |
| | Manufactured goods | 630,000 | 188,800 | 13,400 | 30,600 | 1,000,200 | 93,000 | 171,200 | 1,786,400 | ——— | ——— |
| | Total | 1,855,000 | 293,600 | 6,898,400 | 139,800 | 71,184,600 | 425,800 | 52,464,000 | 2,538,200 | | |
| Russia, 1912 | Foodstuffs | ..... | ..... | ..... | ..... | 6,169,367 | 266 | | | | |
| | Raw materials | ..... | ..... | ..... | ..... | 8,710,723 | 1,278 | | | | |
| | Manufactured goods | ..... | ..... | ..... | ..... | 43,584 | 27,234 | ——— | ——— | ——— | ——— |
| | Total | ..... | ..... | ..... | ..... | 14,923,700 | 28,928 | | | | |
| Germany, 1913 | Foodstuffs | 13,625,000 | 800,000 | 100,000 | 450,000 | 25,660,000 | 300,000 | 6,375,000 | 700,000 | 75,000 | 25,000 |
| | Raw materials | 1,100,000 | 1,000,000 | 15,850,000 | 50,000 | 101,275,000 | 500,000 | 59,050,000 | 300,000 | 2,375,000 | 175,000 |
| | Partly manufactured goods | 25,000 | 525,000 | 1,275,000 | 250,000 | 5,250,000 | 1,125,000 | 8,475,000 | 975,000 | 75,000 | 175,000 |
| | Manufactured goods | 1,275,000 | 12,750,000 | 150,000 | 10,975,000 | 3,050,000 | 34,750,000 | 100,000 | 20,150,000 | ——— | 2,300,000 |
| | Total | 16,064,250 | 15,134,750 | 17,405,500 | 11,735,000 | 135,434,750 | 37,685,500 | 74,020,500 | 22,136,750 | 2,517,750 | 2,671,500 |
| U. S. A., 1913 | Total | 120,571,180 | 415,449,457 | 3,305,552 | 14,488,501 | 116,220,591* | 15,108,956* | 10,956,200 | 43,351,855 | 4,385,162 | 9,079,497 |

* Including Straits Settlements and other British Indish possessions.

**The figures given in this statistic for the U. K. exports, also those given on Chart 2 represent exports of manufactures and produce of U. K. only and do not include transit trade. The transit trade transacted by the English market during the year 1913 had a value of $547,-875,185. Roughly, one-third of the merchandise reaching U. K. from her colonies is re-exported again, finding its way either to Europe or to other markets. Also part of the merchandise imported into U. K. from not British sources is re-exported again. The percentage of re-shipments of the total imports, however, is not more than 10%. The following statistic shows the re-exports of foreign and colonial merchandise to the most prominent customers of U. K. in Europe, also those going to the principal British colonies.

### Export of Foreign and Colonial Merchandise from U. K. to several leading European and Colonial Markets, 1913.

| | | Food, Drink, and Tobacco | Raw Materials and partly manufactured Goods | Manufactured Goods | Total |
|---|---|---|---|---|---|
| Allied Group | Russia | $ 3,674,410 | $ 38,658,720 | $ 5,627,675 | $ 47,956,350 |
| | Belgium | 4,218,610 | 30,551,200 | 2,323,560 | 37,103,145 |
| | France | 3,197,880 | 47,327,090 | 9,211,920 | 59,743,595 |
| | Italy | 714,200 | 2,829,255 | 1,515,705 | 5,059,235 |
| Central Group | Germany | 12,475,560 | 70,695,185 | 15,836,335 | 99,113,315 |
| | Austria-Hungary | 1,922,685 | 3,103,395 | 1,471,160 | 6,497,760 |
| Neutrals | Sweden | 1,498,865 | 2,442,110 | 1,129,020 | 5,071,355 |
| | Holland | 6,959,015 | 12,541,420 | 5,963,325 | 25,464,435 |
| British Colonies | Canada | $ 4,280,555 | $ 3,482,765 | $ 9,795,825 | $ 17,561,335 |
| | Australia | 1,186,585 | 1,811,230 | 13,790,585 | 16,795,150 |
| | British Indies | 1,182,165 | 2,214,515 | 3,569,205 | 6,985,430 |
| | South Africa | 4,132,335 | 396,215 | 5,039,735 | 9,585,240 |

### Total export of U. K. to the European Market, 1913.

| | | | | | |
|---|---|---|---|---|---|
| France | $ 208,115,860 | Germany | $ 302,531,075 | Sweden | $ 46,173,285 |
| Russia | 138,469,765 | Austria-Hungary | 28,902,400 | Norway | 33,338,900 |
| Servia | 188,030 | Bulgaria | 2,510,145 | Denmark | 32,947,485 |
| Belgium | 121,119,600 | Turkey | 40,059,735 | | |
| Portugal | 19,670,330 | | 40,059,735 | | |
| Italy | 78,110,005 | | | | |

| | |
|---|---|
| Holland | $ 106,507,325 |
| Switzerland | 25,439,940 |
| Spain | 43,164,590 |
| Roumania | 10,090,800 |
| Greece | 12,979,945 |

States close to tariff wars with France, Germany and Canada, the United States insisting that they all extend to the United States all the advantages accorded any other nation, except their colonies, or, in the case of Canada to the mother country and the sister colonies. A substantial victory was won by the United States in the case of Germany and France, but the Canadian situation was compromised, it being evident that the imposition of the maximum tariff on the great range of Canadian raw materials required by American industry would injure the United States quite as much as Canada.

The Underwood-Simmons tariff abandoned the maximum and minimum system. It is a single level tariff with authority for the President to encourage foreign trade by negotiation of commercial agreements. For reasons explained elsewhere none have been concluded.

Germany extends most-favored-nation treatment to American goods on the basis of a law dated February 5, 1910, but this embraces only such tariff reductions as were provided for by the treaties in force at that time. In consequence Germany differentiates against America in all those cases where lower rates have been made after that date.

In France a large part of American imports are admitted at the minimum rates of duty.

Generally speaking the position of the United States with regard to their commercial relations with European powers is not much different from that of the European powers amongst themselves, United States products being accorded most-favored nation treatment.* Practically all our favored nation treaties are terminable upon twelve months' notice.

(See Commercial Treaty Chart I.)

*It must, however, be kept in mind that the United States gets only such concessions as are provided for by treaties with other, mostly European, countries, but there are no concessions granted to others on products in which the United States is largely interested, unless the contracting country also happens to have a strong interest in the particular concession. Whether this condition could continue if the United States became more formidable in export to Europe of manufactured merchandise the reader can judge for himself.

# EUROPEAN INTERDEPENDENCE

(SEE ALSO CHARTS II AND III)

The four largest economic units now at war in Europe, the United Kingdom, France, Russia and Germany, have long carried on an extensive trade with each other. Germany has been the best customer of the United Kingdom in Europe and has shared with India and the United States of America the leading position among the countries buying from the United Kingdom. Germany bought, in 1913, $135,035,740 of goods wholly or mainly manufactured in the United Kingdom. This is more than France and Russia together. Also the United Kingdom was buying from Germany more than any other of the European countries, while Russia took the second place among the European customers of Germany. Russia again sold, in 1913, to Germany goods valued at $226,913,947, being more than the combined custom of the United Kingdom and France. France, according to French records, had in the United Kingdom her best European customer, Belgium coming second and Germany third.

Two countries exerted a deciding influence on the economic destinies of Europe, the United Kingdom and Germany. London's importance in the commercial organization of Europe was derived from its distributing and banking power. London, in this respect, took a unique position among the ports of Europe, being both the commercial as well as the financial centre of a vast economic system. The United Kingdom re-exported before the war goods not produced in the U. K. to non-European markets outside the British Empire, valued at $170,000,000, and to British possessions to the value of $65,000,000. The largest part of that trade was done via London, through the agency of shippers specializing in re-export trade.

But the London shipper did not confine himself to collecting goods in London for redistribution. His business during the last twenty years had taken on a new aspect and, beside the distributor, he had become the agent of the European trade. English shipping lines were carrying the visitors from oversea to British ports. They all arrived finally in London and it was here that they made their first selections from the goods Europe had to offer. London shippers and agents for this maintained sample exhibitions where the foreign buyer could order for delivery from the manufacturer, who might be located either in England or on the continent. To facilitate shipment and to save expenses it had become the general rule

not to have those goods shipped over London. They were shipped directly from the manufacturer to the oversea buyer. The transaction, however, was financed by the London shipper and agent who received payment from the buyer and paid, on his part, the manufacturer. The shipper and not the actual buyer was responsible for payment to the manufacturer or producer.

The conveniences offered by this system of trading were so great that continental manufacturers had little desire to change it, and London in this way made great profits in the form of commissions. London became the money market of the world, where transaction between the European manufacturer and the foreign buyer were completed. All the leading continental and oversea banks had agencies in London to take care of the exchange business of their nations. Bills were drawn on London and the pound sterling had become the recognized monetary unit in the foreign trade. London took this position not by accident. Outside the real facilities which it offered by the system described, there was the fact that the London market stood open to all comers; that there was no discrimination against anybody buying or offering, and that the nations of the world met in the London shipping market on an even basis.

The importance of this fact was also realized on the European continent, and ports of countries with a protective tariff offered "free port" facilities for goods entering the port for further distribution. In no case, however, was it possible to compete seriously with the wider and more liberal system of the London shipping market before the war.

While the United Kingdom, supported by vast colonial possessions, has been able to supply Europe with a great many commodities nowhere else obtainable, Germany has gained her predominance on the continent mainly from her geographic position in the centre of Europe, which normally forces a large part of European trade either to accumulate in Germany or to pass through that country.

Germany held the quickest commercial route between France and England on the one side and Russia on the other. Railway shipments were forwarded by sea from London to Hamburg and from there by rail to their Russian destination. This traffic was so important that it made necessary a special steamship line between English and German ports. Germany, by developing the manufacture of certain specialties so as to gain practically a monopoly for them, has been able to draw a large part of the trade in these com-

modities in her direction. For many of the raw materials used in Germany the country, however, relied largely on British colonial sources. Germany, in consequence, has been a large customer of most of the British colonies.

A large proportion of this trade was carried on directly between the colonies and Germany. The United Kingdom, however, exported also to Germany goods not of its own production and consisting largely of British colonial produce valued at $99,113,315 during the year 1913, bringing the total exports of the United Kingdom to Germany, according to British official figures, to $302,531,075. Germany herself puts a total value of $522,750,000 on her total imports from the British Empire, which is 19.4 per cent of the total German import, while the exports are given with $462,250,000, or 18.3 per cent of the total German exports in German statistics. The relations of Germany with the British Empire have been growing steadily. Germany imported from the United Kingdom coal valued at about $45,000,000 a year, one-fifth of the total German imports from the United Kingdom. Cotton and woolen yarn were making up another fifth of the German imports from the United Kingdom. The supply of this yarn, which in like quality could not be supplied in Germany, has been a necessity. The English herring fishery has been largely interested in the German market. Germany's most important export to the United Kingdom has been sugar. Machines and electrotechnical goods also have taken up a large part of German exports to the United Kingdom, while according to German figures the exports of aniline and other dyes averaged about $5,500,000. Russia is nearly entirely dependent upon Europe for the disposal of her food products, which are about one-half of her total export. Her best and most convenient customer was Germany, taking in 1912 foodstuffs at a value of $122,947,895, which is nearly as much as all the present allies of Russia together. Also Germany has bought from Russia raw materials at a value of $88,969,934. Russia's second best customer for raw materials, however, was the United Kingdom, buying in 1912 for $85,004,371. Of the foodstuffs exported by Russia, $273,000,000 consisted of grain. Wood, with an export value of $76,250,000, takes the leading place amongst the raw materials, and flax, with an export value of $53,500,000, the second

Of the lesser economic units among the countries at war, Belgium has had her best customer in Germany, which bought, according to Belgian statistics, goods valued at $201,491,000; France, $150,-

462,800, and the United Kingdom, $118,925,000. Owing to the influence of faster railway traffic and the running of international trains the interchange of trade on the European continent, including also the United Kingdom, had practically removed the intervening political frontiers. It is shown by the statistics appended that all the industrial countries of Europe were doing a vast trade with their immediate neighbors. While a considerable percentage of this trade consisted in the selling and buying of industrial and agricultural produce for consumption in the buying country, the end of the last century and the beginning of the present brought also an exchange of raw materials and half-manufactured goods for the special purpose of improving those goods by the industrial facilities of the other country for immediate reshipment or eventual sale to a third market. This development has specially affected the foreign trade of Belgium. In fact, it is practically impossible to understand the commercial relations of Belgium and the rest of Europe independently from the surrounding territory and the Netherlands. The whole of the lower Rhine country, comprising parts of northwest Germany, northeast France, Belgium and Netherlands, has formed for many years an economic unit more or less independent of political boundaries. The large exchange of trade carried on over the frontiers of each of the countries mentioned which is especially large in the case of the Netherlands, by shipments of foreign goods landed in that country for use in Germany, seems to be absolutely necessary for the economic well-being of the territory in question. Capital frequently interlocked in that region of the world, and it happens not only occasionally but is the continued rule that industrial plants on one side of the frontier were preparing half-manufactured goods for completion on the other.

Servia, economically, was entirely dependent upon Austria and Germany, both countries taking, together, by far the largest part of the exports of Servia.

The commercial interests of Italy have been divided between the Central Powers and the Allies.

The neutral States of Europe so far have not been powerful enough to exert any appreciable influence on the European market. They have been more or less dependent on their larger neighbors. The war brought changes in this direction. The Scandinavian nations have accumulated wealth rapidly and their economic influence will be felt more acutely after the war, especially as they have, by a series of conferences, laid the foundation for a neutral economic

alliance of their own. (See page 41.) The Netherlands, by means of their colossal possessions and the fact that they include the mouth of the Rhine, possess economic advantages which may be of use after the war. The remaining neutrals have not been able to make themselves felt. Their geographical position, which makes it impossible for them to combine, rather tends to make their dependence on the larger units still more pronounced in the future.

# EUROPEAN TRANSPORTATION RELATIONSHIPS

The interchange of merchandise among the European nations depended before the war upon the upkeep and smooth working of shipping and railway traffic not only between contiguous countries, but also from one country to another traversing a third. Most of the commercial treaties of the newer period contain provisions covering shipping and railway traffic or special treaties of navigation have been made. The United Kingdom to trade with the European continent is interested both in securing for her shipping equitable port facilities and favorable treatment for the transport of her merchandise into and across continental European countries by rail.

The United Kingdom has fixed her claims with regard to shipping in several of her commercial treaties of which as an example that with the Netherlands is given.

The treaty between Great Britain and the Netherlands of March 27, 1851, says:

"No duties of tonnage, harbor, lighthouse, pilotage, quarantine or other similar or corresponding duties of whatever nature or under whatever denomination shall be imposed in the port of either country upon the vessels of the other country, from whatever port or place arriving which shall not be equally imposed in the like cases on national vessels, and in neither country shall any duty, charge, restriction or prohibition be imposed upon, nor any drawback, bounty or allowance, be withheld from any goods imported into or exported from each country in vessels of the other, which shall not be equally imposed upon or withheld from such goods, when so imported or exported in national vessels."

The United Kingdom also receives from the national or private railways of the European continent all the facilities for her traffic extended to shipments of the same class and on the same routes to other nations.

The Russo-German treaty of commerce and navigation, abrogated by the war, provided, with regard to shipping, that:

"The German ships and their freights in Russia and the Russian ships and their freights in Germany shall be treated like the ships of either nation in their own country from wherever they come and whatever their destination, irrespective of the origin or the destination of their freights.

"Every prerogative and easement which in this respect is extended by

one of the contracting parties to a third one shall also be extended automatically and without condition to the other contracting party."

Certain exceptions in this respect are made, but the general purpose has been to assure freedom of movement of vessels and merchandise.

For canal traffic, provisions are made giving to ships of one of the contracting parties the right to use the facilities of the canal of the other, including the locks, at rates applicable equally to all shipping.

Finally, provisions are made for railway traffic: "Both contracting parties reserve for themselves the right to charge transportation rates at their own discretion. However, no differentiation shall take place either with regard to the charges for transportation nor with regard to time and class between the population of the contracting parties. Especially shall not be charged any higher rates on German railways for the transportation of Russian goods to a point in Germany on or through Germany as will be charged for the same class of German or foreign goods shipped to the same destination and on the same road. The same will apply to German goods on Russian railways in transit to a point in Russia or through Russia."

Provisions to the same general effect are contained in most of the treaties among European nations.

## Foreign Trade Distribution of United States, United Kingdom and Germany

(SEE ALSO CHARTS II AND III)

UNITED STATES

| | Value in $ | % of Total |
|---|---|---|
| Total Export | 2,465,884,149 | 100 |
| Total Import | 1,813,008,234 | 100 |
| Export to Allies | 1,554,896,752 | 63.05 |
| Import from Allies | 980,735,960 | 54.09 |
| Export to Central Powers | 359,105,937 | 14.56 |
| Import from Central Powers | 321,586,706 | 17.74 |
| Export to Neutrals | 551,381,460 | 22.38 |
| Import from Neutrals | 510,685,568 | 28.17 |
| Export to United Kingdom | 597,149,059 | 23.81 |
| Import from United Kingdom | 295,564,940 | 16.30 |
| Export to British Empire | 1,131,280,630 | 45.87 |
| Import from British Empire | 574,382,730 | 31.68 |
| Export to Germany | 331,684,212 | 13.45 |
| Import from Germany | 188,963,071 | 10.42 |
| Export to Europe | 1,479,074,761 | 59.97 |
| Import from Europe | 892,866,384 | 49.24 |

## UNITED KINGDOM

| | Value in $ | % of Total |
|---|---|---|
| Total Export | 3,174,101,630 | 100 |
| Total Import | 3,843,673,695 | 100 |
| Export to Allies | 656,091,616 | 20.67 |
| Import from Allies | 611,306,312 | 15.91 |
| Export to Central Powers | 376,080,405 | 11.85 |
| Import from Central Powers | 236,560,136 | 6.15 |
| Export to Neutrals | 1.107,318,694 | 34.88 |
| Import from Neutrals | 2,038,227,772 | 53.03 |
| Export to British Empire | 1,034,610,915 | 32.60 |
| Import from British Empire | 957,579,475 | 28.91 |
| Export to Germany | 300.531,075 | 9.46 |
| Import from Germany | 254,881,980 | 6.63 |
| Export to Europe | 1,185,723,125 | 37.35 |
| Import from Europe | 1,576,703,745 | 41.80 |

## GERMANY

| | Value in $ | % of Total |
|---|---|---|
| Total Export | 2,524,500,000 | 100 |
| Total Import | 2,692,500,000 | 100 |
| Export to Allies | 961,987,250 | 38.10 |
| Import from Allies | 1,189,934,683 | 44.20 |
| Export to Central Powers | 308,394,500 | 12.22 |
| Import from Central Powers | 227,549,500 | 8.43 |
| Export to Neutrals | 1,254,118,067 | 49.68 |
| Import from Neutrals | 1,275,360.250 | 47.37 |
| Export to British Empire | 462,250,000 | 18.31 |
| Import from British Empire | 527,500,000 | 19.59 |
| Export to Europe | 1,919,500,000 | 76.3 |
| Import from Europe | 1,472,000,000 | 54.67 |

*Total Turnover of Forcign Trade* of the world had, in 1913, a value (estimated) of ..... $40,420,000,000

The total *Export Trade* of the countries including British colonies represented at the Paris conference had a value of.. * 8,900,000,000

being 48.90 per cent. of the total export trade of the world.

* Estimated from the Statistics of 1911, 1912 and 1913.

# AMERICAN FOREIGN TRADE AFFECTED BY THE CONFERENCE

(SEE ALSO CHARTS II, III AND IV)

An analysis of the trade of the United States with the nations now at war shows a predominance of the Allied group in both export and import. In Table IV a statistical survey is presented of sources of supply (imports) and destination of exports. It is frequently held that the United States is economically self-supporting, which, to some extent, is borne out by these figures. Only in rare cases does an absolute dependence upon foreign supplies exist, but the convenience and economy of the present sources are indisputable and directly related, in many instances, to the efficiency of American exportation. The effect of the two proposed economic alliances upon the normal ebb and flow of commerce between the United States and Europe can only be conjectured until the methods of the alliances are revealed. If both groups seek to conserve primarily for their own use their raw materials, the cost of those materials to the United States may conceivably be enhanced either through the law of supply and demand or by artificial restrictions, such as export duties or prohibition of export as Canadian provinces now prohibit exportations of Crown-land pulp woods.

But the world normally produces never but a little more or less than its demand, and it would seem that policies directed to establish self-sufficiency in either or both groups would tend to a rearrangement rather than to a denial of supply of raw material. In other words, if the Allies endeavor to draw their own materials exclusively from among themselves, neutral sources of supply will be relied upon by other nations now depending upon the Allies.

## Allies Predominate as Source of Supply

Of 213 commodities, each of an import value of more than $1,000,000 in 1913, 121 were principally imported from nations of the Allied group (including the British colonies), while only 49 principally came from the Central powers. In but 44 cases neutral countries were the source of principal supply. This Allied superiority resulted from the United States' extensive importations from

the British colonies. The United Kingdom (exclusive of the British colonies) appears 46 times among the countries of principal supply and Germany 45 times.

An analysis of the countries of destination of 136 commodities, each of an export value of more than $2,000,000, in 1913, also shows the predominance of the Allied nations. The United Kingdom alone appears in the list of principal buyers 47 times and Canada 48. In 103 cases members of the Allied group were the principal buyers. The neutrals were principal buyers of only 19 commodities and the Central Powers of only 14, all of which went to Germany.

## Changes in Character of United States Foreign Trade

IMPORTS

| Classification | Value 1900 | Value 1913 | Pctg. of total 1900 | Pctg. of total 1913 |
|---|---|---|---|---|
| Foodstuffs, raw and food animals | $97,916,293 | $211,746,500 | 11.52 | 11.68 |
| Foodstuffs, partly or wholly manufactured | 133,027,374 | 194,243,220 | 15.65 | 10.72 |
| Crude materials for use use in manufacturing | 276,241,152 | 635,210,201 | 32.50 | 35.04 |
| Manufactures for further use in manufacturing | 134,222,045 | 349,401,928 | 15.79 | 19.27 |
| Manufactures ready for consumption | 203,126,341 | 409,178,704 | 23.90 | 22.51 |
| Miscellaneous | 5,407,979 | 14,227,681 | .64 | .78 |
| Total | $849,941,184 | $1,813,008,234 | | |

EXPORTS

| | | | | |
|---|---|---|---|---|
| Foodstuffs, crude | $225,906,246 | $181,907,266 | 16.83 | 7.49 |
| Foodstuffs partly or wholly manufactured | 337,152,992 | 321,204,373 | 23.09 | 13.23 |
| Crude materials for use in manufacturing | 325,244,296 | 792,716,109 | 23.73 | 34.83 |
| Manufactures for further use in manufacturing | 148,350,529 | 408,806,949 | 10.16 | 16.83 |
| Manufactures ready for consumption | 317,745,673 | 776,297,360 | 21.76 | 31.97 |
| Miscellaneous | 14,894,539 | 8,531,897 | .09 | .35 |
| Total | $1,370,763,571 | $2,428,506,358 | | |

The outstanding features of the above table are the proportionate increases in imports of crude materials and manufactures for further use in manufacturing.

In the fiscal year 1914, ending just before the European War, exported foodstuffs dropped to 5.90 per cent. of the total and imports rose to 13.08, the United States importing more foodstuffs than it exported by about $110,000,000. Exports of crude materials also proportionately increased.

While there was before the war a natural increase in the im-

ports of foodstuffs into the United States, the dependence of the United States upon other countries in this case is not a vital matter as they consist mostly of specialties which might be dispensed with in time of need. Tea and coffee are possible exceptions. Viewing the supply of foodstuffs from foreign countries under the aspect of the formation of self-containing economic units in Europe it appears that no actual dependence of this country upon either of the groups in formation exists. Italy supplies nearly all the macaroni of foreign origin but the home industry would very well be able to take care of that industry, if necessary. Also olive oil comes in very large quantities from Italy. Spain might become a strong competitor, if there must be a foreign supply. Brazil and Colombia have supplied most of the coffee. Bananas come from Jamaica, but Costa Rica, Honduras and Panama together supply recently twice as much as the first named country. Lemons are imported nearly exclusively from Italy, but the Italian lemon might be dispensed with in favor of the home product. Tea is reaching us from Japan, India and other sources, mostly British. The leading neutral supplier in this case is China. Owing to the difference in flavor between the Indian product and that supplied by China it is doubtful whether the former could be replaced by the latter. Finally the import of tobacco must be mentioned in this connection. It is the only case where the central nations group has a considerable influence on the supply of foodstuffs, if tobacco may be so called; owing to the large import of Tukish tobaccos reaching the American market.

## Export Needs Sustained Supply

A secure supply of raw materials and partly manufactured goods is essential to the future export trade. From 1900 to 1913 the increase in importation of raw materials was 229%, and in manufactures for further use in manufacturing 260%. The import of manufactures ready for consumption has increased 208%. The shortage in the supply of several materials used for industrial purposes in this country since the outbreak of the war has disclosed the fact that the United States manufacturing industry is not completely self-supporting. Coal tar dyes were imported practically exclusively from Germany. Switzerland in both cases might act as a substitute, but the small Swiss dye industry hardly could take care of the large deficit which would result through a sudden stop of the German supplies. The U. S. Congress is now moving definitely to encouragement and protection of the domestic industry.

The Entente Allies by means of their large territorial expansion and the vastness of their natural resources naturally are of larger importance in the supply of the American industry with raw materials than the Central powers. Creosote oil, copal, shellac may be mentioned in this connection only to give a few examples of imports of minor value. In the case of rubber the superiority of the English plantation possessions in the East has a deciding influence on the whole American rubber industry, notwithstanding that the Eastern supply might be supplemented by considerable imports from Brazil. Nitrate of soda is supplied by Chile. For jute British India is the main source of supply. Germany supplies different fertilizers which in some cases can be obtained from that country only.

The Allied group, however, shows its predominance again in the leather market. The ore resources stored in this country are so large that there can hardly exist a dependence of any of the groups of powers now at war, especially as in nearly all the important cases there are prominent neutral countries which could be drawn on in case of necessity. In the case of manganese where British India and Russia during 1913 were the principal suppliers, supplies are being increasingly drawn from Brazil. For nickel, however, the United States is practically entirely dependent on Allied sources. From 1911 to 1913 nickel was imported only from Canada and to an extremely small percentage also from Belgium. Also in tin a strong dependence from foreign supplies has to be noted and attention is being given development of neutral resources. About five-sixths of the required foreign supplies came from British sources either via England or from the Straits Settlements. The small supplies coming from Germany and Holland would hardly recompense this country for the deficit it would suffer in case of an interruption of the supply coming from the two markets mentioned before. The silk consumed by the American silk industry comes mostly from Japan and Italy, China supplying only about one-eighth of the present import.

## United States Nearly Self-Supporting

Dependence in regard to manufactures in a country developed industrially as highly as the United States can seldom arise except under economic stress. In normal times the import of manufactured goods as a rule has to be regarded more as a convenience or a matter of competition where the exporting country has better facilities for production than the importing country. It seems that none of

the goods chiefly imported into this country during 1913 really need be imported or could be done without for a prolonged period by using accumulated stocks if it should become imperative in the interest of the nation to dispense with such imports. The development of American industry has been one of opportunity, convenience and economy. American manufacturers, therefore, have abstained frequently from making goods the manufacture of which did not seem profitable under American conditions and have left it to the importers to supply the real or imaginary needs of the country. When two years ago the regularity of this convenient supply was checked, a shortage of certain supplies existed until the American industry adjusted itself to new conditions.

# DESTINATION OF EXPORTS

(SEE CHART IV)

In analyzing the destination of exports, two groups of goods are to be considered: those indispensable to other countries and those which are brought either as a matter of convenience or economy. That the first group must have to be bought from this country until they can be replaced by similar articles produced elsewhere or by a substitute. The second group will be bought only as long as it remains convenient for the buyer. Foodstuffs and raw materials belong mostly to the first class, manufactured goods to the second. Exports of copper reaching a value of over $120,000,000 in 1913 and steadily increasing are at least for Germany a considerable necessity, also for France, and England might not feel inclined to lose this convenient and regular source of supply. From two-thirds to three-quarters of the English and German cotton imports come from the United States. England and Germany are the largest buyers of American cotton, the former taking it in 1913 to the value of $224,000,000, the latter for $144,000,000. France, in 1913, took $66,676,149 worth of cotton, and Italy, with $30,169,663, stood fourth. Nearly half of American oil exports go to the countries of the Entente Alliance while Germany takes one-eleventh. Neutral countries are large buyers and no difficulty would arise in distributing a larger quota to the neutrals. The same applies to other oil products sold by this country. Half of the linseed production was taken by Germany.

## Allies Largest Buyers

Both the Central Powers and the Allies have been considerable buyers of foodstuffs in this country before the war, but the Allies, of course, required larger quantities. The possession of large food-producing territories by the allied powers might render those countries more or less independent of the American supply. The Central Powers, while buying fairly large quantities, nevertheless have no deciding influence on the situation. However, it must be taken into consideration that neutral countries have been great customers for American agricultural produce. If by some artificial influence upon the food distribution of the world a larger percentage of British foodstuffs should flow into the countries of the Entente Allies

this would lead to a corresponding reduction of the British supply to neutral markets which in consequence would become available markets for American produce. Many of the European neutrals were already large customers for wheat and wheat flour before the war. Bacon went largely to the United Kingdom, lard to the United Kingdom and Germany, while tobacco was taken by the two markets mentioned and others. The Netherlands is a prominent neutral customer.

Among the manufactured goods certain machines are taking a favorable position in the export trade. American agricultural machinery has established itself throughout the world. The fact that many American machines of various types are not always obtainable anywhere else may free them from the restrictions of competition. Export of automobiles is steadily increasing not only because of the excellence of the American product, but because in countries like Argentina, American sales methods are teaching the farmers to use them as they do in the United States. The export of cotton goods takes place in competition with European commodities of the same class. American manufacturers find a market for those goods mostly in neutral countries outside Europe. Their sales therefore would not be affected directly by any grouping of the countries now at war, but the upkeep of proper transportation facilities may become a very important factor in the sale of all those goods abroad after the war. England and Canada so far have proved themselves the best customers of the American rubber industry. The fact that Canada belongs to the Entente Alliance gives that group generally a great superiority as a customer for manufactured goods of United States origin.

CHART IV.

# Foreign Sources of American Supply and Destination of Exports

The following table shows the sources of supply of raw materials, manufactured goods for further use in manufacturing, foodstuffs and manufactures ready for consumption, with a total import value of more than $1,000,000 each in the fiscal year 1913, as represented by official figures. *

(Abbreviations: A—Austria-Hungary; B—Belgium; C—Canada; E—England or United Kingdom;† F—France; G—Germany; I—Italy; Jap.—Japan; P—Portugal; R—Russia in Europe; T—Turkey.)

The fact that the name of a special country is not mentioned does not necessarily mean that nothing is imported from that source. Space does not permit enumeration of all sources of supply of articles vastly imported from many countries. But the principal sources are always given.



I.

RAW MATERIALS, MANUFACTURES FOR FURTHER USE IN MANUFACTURING, SEEDS AND FERTILIZERS

| Description of Goods | Total Imports | Principal Supplier | Supplied by Allied Group | | Supplied by Central Group | | Principal Neutral Source of Supply | |
|---|---|---|---|---|---|---|---|---|
| Aluminum | $4,315,233 | Germany | E. | $746,704 | G. | 1,470,040 | Switzerland | 165,011 |
| | | | F. | 522,229 | | | | |
| | | | C. | 781,850 | | | | |
| Antimony | 1,134,467 | England | E. | 526,016 | | | China | 170,515 |
| Bristles | 3,491,980 | England | E. | 1,169,515 | G. | 1,151,596 | China | 904,065 |
| Alizarine Dyes | 1,817,270 | Germany | | | G. | 1,797,686 | Switzerland | 6,433 |
| Sulphate of Ammonia | 3,655,413 | England | E. | 3,133,963 | | | | |
| Argols or Wine Lees | 2,621,632 | France | F. | 1,189,820 | | | | |
| | | | I. | 1,047,468 | | | | |
| Coal Tar Dyes | 7,105,284 | Germany | E. | 199,280 | G. | 5,766,600 | Switzerland | 880,427 |
| | | | B. | 179,822 | | | | |

*Compiled from the statistics of the United States Department of Commerce.
†In this Table the name England includes also Scotland, Ireland and Wales.

| Description of Goods | Total Imports | Principal Supplier | Supplied by Allied Group | Supplied by Central Group | Principal Neutral Source of Supply |
|---|---|---|---|---|---|
| Creosote Oil | 3,711,340 | England | E. 2,199,942<br>B. 326,925 | G. 704,802 | Netherlands 412,003 |
| Fusel Oil | 1,183,902 | England | E. 376,685<br>R. 227,085 | G. 334,047 | |
| Quebracho | 2,005,770 | Argentina | | | Argentina 1,895,736 |
| Glycerin | 4,251,841 | England | E. 1,293,815<br>F. 1,078,344<br>B. 527,994 | G. 244,644<br>A. 111,269 | Spain 171,741<br>Netherlands 211,672 |
| Chicle | 5,282,722 | Canada | C. 3,613,529 | | Mexico 1,262,689 |
| Copal | 2,519,510 | New Zealand | N. Zealand 1,060,276<br>Str. Set. 749,267 | | Dutch India 282,925 |
| Shellac | 3,046,919 | Brit. India | Brit. India 2,858,450 | | Practically all from British sources. |
| Indigo, natural or synthetic | 1,102,897 | Germany | Brit. India 100,832 | G. 974,502 | Switzerland 35,910 |
| Licorice Root | 1,806,066 | Turkey | R. 368,161 | T. 1,042,093 | Spain 82,429 |
| Magnesite | 1,727,848 | Austria | | A. 1,564,234 | Netherlands 100,157 |
| Opium | 2,565,965 | Turkey | E. 356,971 | T. 2,055,364<br>G. 153,630 | Practically Nothing from other sources. |
| Vegetable Wax | 1,146,977 | Brazil | Jap. 177,110 | G. 221,263 | Brazil 634,682 |
| China Clay | 1,750,058 | England | E. 1,737,562 | | |
| Nitrate of Soda | 20,718,968 | Chile | C. 774,006 | | Chile 20,718,968 |
| Bituminous Coal | 4,368,356 | Canada | C. 3,662,931 | | |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Copper: | | | | | | | | | |
| Matte, Regulus | 4,223,385 | Chile | | | | | | Chile | 2,165,218 |
| | | | | | | | | Peru | 1,291,489 |
| Ore | 9,444,108 | Canada | C. | 2,707,489 | | | | Mexico | 2,092,559 |
| | | | | | | | | Chile | 2,242,784 |
| Pigs, Ingots, etc. | 44,611,735 | Mexico | C. | 5,323,260 | | | | Mexico | 17,316,966 |
| | | | Austrl. | 4,239,940 | | | | Spain | 5,683,205 |
| Cork | 3,152,070 | Spain | P. | 1,480,329 | | | | Spain | 1,250,722 |
| Cotton | 22,987,318 | Egypt | Egypt | 18,753,197 | | | | | |
| | | | E. | 1,766,353 | | | | | |
| Cotton Waste | 2,129,874 | Germany | E. | 756,641 | G. | 873,604 | | | |
| Ostrich Feathers, Undressed | 1,985,084 | France | F. | 1,299,928 | G. | 139,108 | | | |
| | | | E. | 233,724 | | | | | |
| Feathers, not for Millinery | 1,701,918 | France | F. | 1,151,984 | G. | 511,298 | | | |
| Feathers, all Other | 2,722,483 | Germany | F. | 1,124,900 | G. | 1,416,929 | | | |
| Kainit | 2,154,977 | Germany | | | G. | 2,154,977 | | | |
| Manure Salts | 1,794,058 | Germany | I. | 23,301 | G. | 1,755,007 | | Netherlands | 11,982 |
| Muriate of Potash | 6,782,056 | Germany | B. | 865 | G. | 6,781,181 | | | |
| Sulph. of Potash | 1,753,485 | Germany | B. | 1,824 | G. | 1,751,661 | | | |
| Other Fertilizers | 3,300,833 | Canada | C. | 1,202,336 | G. | 743,855 | | Argentina | 122,943 |
| | | | E. | 411,479 | | | | | |
| | | | B. | 499,755 | | | | | |
| Flax | 3,950,020 | England | E. | 1,750,102 | G. | 165,378 | | | |
| | | | R. | 952,436 | | | | | |
| | | | B. | 926,368 | | | | | |
| Hemp | 1,484,116 | Italy | I. | 1,026,278 | G. | 126,407 | | | |
| | | | R. | 222,332 | | | | | |

| Description of Goods | Total Imports | Principal Supplier | Supplied by Allied Group | Supplied by Central Group | Principal Neutral Source of Supply |
|---|---|---|---|---|---|
| Jute | 9,280,565 | Brit. India | B. India 8,740,667<br>E. 425,551 | G. 86,229 | |
| Manila | 12,629,693 | Philippines | | | Philippines 12,089,174 |
| Sisal Grass | 17,803,819 | Mexico | | G. 1,861,215 | Mexico 15,495,574 |
| Furs, Undressed | 16,717,208 | Germany | E. 3,628,266<br>C. 2,197,509<br>R. 834,870<br>B. 1,450,533<br>F. 931,624 | G. 5,641,081 | China 175,770 |
| Furs, Dressed | 5,395,778 | Germany | F. 1,584,488<br>E. 603,712<br>B. 924,519 | G. 2,057,222 | China 156,539 |
| Horse Hair | 2,223,344 | England | E. 714,087<br>R. 200,533<br>I. 217,157 | G. 119,940 | Argentina 415,061 |
| Other Animal Hair | 1,099,730 | Germany | E. 205,900 | G. 549,354 | |
| Human Hair, Uncleaned | 2,530,504 | Italy | I. 1,283,734<br>E. 329,620<br>325,395 Hongkong | G. 158,498<br>A. 193,587 | China 172,138 |
| Hat Materials | 6,520,161 | Japan | Jap. 3,146,053<br>E. 955,325<br>F. 551,431<br>I. 545,547 | Germ. China 677,025 | Switzerland 149,696<br>China 391,374 |
| Buffalo Hides, Dry | 2,790,009 | Brit. India | Brit. India 2,468,054 | | China 106,704 |
| Calf Hides, Dry | 15,092,017 | Russia | R. 8,090,274<br>Brit. India 1,107,847 | G. 2,978,460 | Argentina 344,866<br>Denmark 741,306 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Calf Hides, Green or Pickled. | 11,202,956 | Germany ... | F. 1,063,888<br>R. 1,636,334<br>C. 1,104,705 | G. | 2,273,142 | Netherlands ..... | 1,595,322 |
| Cattle Hides, Dry, 12 lbs. or over ..... | 18,670,672 | Argentina .. | R. 2,144,099<br>E. 852,824<br>Brit. India 1,185,932 | | | Argentina ..... 6,081,887<br>Mexico ..... 1,362,772<br>Venezuela ..... 1,035,299<br>China ..... 1,824,084 | |
| Cattle, Hides, Green or Pickled, 25 lbs. and over... | 27,628,292 | Argentina .. | B. 1,305,229<br>F. 3,121,525<br>R. 2,118,699<br>C. 5,897,985 | G. | 1,248,755 | Netherlands ..... 1,077,414<br>Mexico ..... 2,857,797<br>Argentina ..... 6,435,700 | |
| Goat Skins, Dry..... | 21,099,415 | Brit. India .. | R. 1,509,091<br>E. 1,289,746<br>Brit. India 4,654,880 | | | Mexico ..... 1,730,882<br>Argentina ..... 1,457,242<br>Brazil ..... 1,688,945<br>China ..... 2,807,246 | |
| Goat Skins, Green or Pickled. | 3,691,002 | Brit. India.. | Brit. India 3,598,326 | | | | |
| Horse Skins, Dry..... | 2,234,581 | Russia ..... | R. 1,986,995 | | | | |
| Sheepskins, Dry ..... | 6,429,936 | Russia ..... | F. 536,606<br>R. 1,560,714<br>E. 1,497,108<br>Brit. India 701,812 | | | Brazil ..... 309,265 | |
| Sheepskins, Green or Pickled. | 5,965,008 | England .... | E. 3,708,960<br>N. Zealand 851,872 | | | Argentina ..... 727,104 | |
| Hide Cuttings, etc..... | 1,767,382 | England .... | E. 494,913<br>F. 231,805<br>I. 203,849 | G. | 250,508 | Argentina ..... 62,884 | |
| Gayule Gum ..... | 4,345,688 | Mexico ..... | | | | Mexico ..... 4,329,483 | |
| Gutta Joolatong ..... | 2,174,441 | Strs. Setlmts. | Str. Settlmts. 2,058,658 | | | | |

| Description of Goods | Total Imports | Principal Supplier | Supplied by Allied Group | Supplied by Central Group | Principal Neutral Source of Supply |
|---|---|---|---|---|---|
| India Rubber | 90,170,316 | England | E. 33,586,808<br>B. 5,412,395<br>F. 2,584,677<br>Str. Settlmts. 5,162,872<br>Other English 6,559,737 | G. 5,942,371 | Mexico 1,329,021<br>Brazil 25,905,641 |
| India Rubber Scrap | 3,709,238 | England | E. 1,044,100<br>F. 541,190<br>R. 619,594<br>C. 598,259 | G. 294,969 | Sweden 166,064 |
| Iron Ore | 7,035,185 | Cuba | | | Cuba 4,408,010<br>Sweden 1,461,473 |
| Pig Iron | 6,402,555 | England | E. 5,326,158 | G. 428,040 | |
| Bar Iron | 1,368,948 | Sweden | | | Sweden 1,148,675 |
| Iron, Ingots | 3,542,318 | England | E. 2,292,439 | G. 517,664 | Sweden 438,557 |
| Ivory | 1,821,358 | Belgium | B. 817,537<br>E. 554,493<br>Brit. Africa 131,988<br>Egypt 135,396 | G. 141,005 | |
| Lead, Bullion | 2,940,061 | Mexico | | | Mexico 2,939,343 |
| Leather, Belting and Sole | 1,652,460 | England | E. 1,358,814 | | |
| Glove Leather | 2,384,672 | Germany | E. 121,401 | A. 282,502<br>G. 1,819,943 | |
| Skins for Morocco | 2,687,766 | England | E. 1,650,919<br>Brit. India 871,005 | | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Manganese | 2,196,661 | Brit. India | Brit. India 845,871<br>Russia in Asia 693,812 | | | Brazil | 443,523 |
| Sausage Casings | 2,476,082 | England | E. 1,434,422 | G. | 259,563 | Argentina<br>Netherlands | 277,501<br>150,446 |
| Metal Compositions, not Ferro Combines | 5,936,465 | Germany | F. 944,577<br>E. 1,283,434<br>Jap. 208,765 | A.<br>G. | 255,731<br>2,890,508 | | |
| Mica | 1,003,158 | England | E. 366,551<br>C. 218,365 | G. | 123,205 | | |
| Nickel Ore and Metal | 6,398,228 | Canada | C. 5,825,642<br>B. 572,586 | | | | |
| Mineral Oil, Crude | 7,437,227 | Mexico | | | | Mexico | 6,892,195 |
| Benzine | 1,206,089 | Sts. Settlmts. | E. 306,442<br>Str. Settlmts. 479,816 | | | Peru | 402,696 |
| Rags (except Woolen) | 3,413,165 | Germany | F. 607,807<br>E. 861,593 | G. | 1,025,869 | Netherlands | 284,069 |
| Rags (all other) | 3,858,240 | England | E. 1,748,762<br>F. 295,753<br>Brit. India 250,663 | G. | 636,898 | Denmark | 329,145 |
| Bulbs | 1,823,307 | Netherlands | F. 223.702<br>Jap. 233,808 | G. | 225,310 | Netherlands | 1,056,560 |
| Plants or Trees | 1,377,430 | Netherlands | B. 388,011<br>F. 228,471 | | | Netherlands | 525,818 |
| Platinum | 1,967.976 | Germany | F. 312,131<br>E. 335,774 | G. | 933,811 | Colombia | 363,731 |
| Mnfrs. of Platinum | 3,134,761 | Germany | F. 1,098,263<br>E. 705,097 | G. | 1,304,037 | | |

| Description of Goods | Total Imports | Principal Supplier | Supplied by Allied Group | Supplied by Central Group | Principal Neutral Source of Supply |
|---|---|---|---|---|---|
| Plumbago | 1,972,177 | Brit. India.. | Brit. India 1,591,756<br>C. 120,656 | | Mexico ..... 174,474 |
| Diamonds, Uncut | 12,339,553 | England .... | E. 8,635,134<br>B. 2,129,987<br>F. 401,661 | | Netherlands ..... 963,124 |
| Same cut, but not set | 27,213,047 | Belgium .... | B. 11,997,091<br>F. 2,483,290<br>E. 1,583,241 | | Netherlands ..... 10,852,525 |
| Pearls, not Strung | 5,806,673 | France ..... | F. 3,876,018<br>E. 1,639,721 | G. 208,917 | |
| Other Precious Stones (and Semi-Precious) | 2,771,950 | France ..... | F. 1,727,317<br>E. 582,746 | G. 236,902 | |
| Imitation Precious Stones | 1,319,464 | Aust.-Hung.. | | A. 798,507<br>G. 423,164 | |
| Flaxseed and Linseed | 8,127,774 | Canada .... | C. 7,187,547 | | Argentina ..... 702,000 |
| Clover Seed | 1,508,011 | Germany ... | F. 399,165<br>C. 320,556 | G. 469,253 | |
| Grass Seeds | 1,637,244 | Germany ... | | G. 1,302,288 | |
| Sugar Beet Seed | 1,064,392 | Germany ... | | A. 132,498<br>G. 830,815 | |
| Mother of Pearl | 1,135,952 | England .... | E. 635,014<br>Australia 348,187 | | |
| Raw Silk | 82,147,523 | Japan ..... | Jap. 50,192,420<br>I. 10,457,784 | | China ..... 10,457,784 |
| Silk Waste | 2,711,605 | China ..... | I. 609,808 | | China ..... 1,012,252 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Marble ..... | 1,393,940 | Italy ..... | I. 1,141,717<br>F. 97,451 | | | Mexico ..... 58,037 |
| Sulphur Ore ..... | 4,111,636 | Spain ..... | Portugal 392,269 | | | Spain ..... 3,632,392 |
| Quebracho Wood ..... | 1,300,126 | Argentina .. | | | | Argentina ..... 1,299,995 |
| Tin in Bars, etc..... | 53,112,594 | England .... | E. 24,661,628<br>Str. Settlmts. 23,229,998 | G. | 2,495,556 | Netherlands ..... 1,574,336 |
| Cabinet Woods, Cedar..... | 1,094,048 | Cuba ..... | Brit. Hond. 167,733 | | | Cuba ..... 723,817 |
| Cabinet Woods, Mahogany.... | 4,839,625 | England .... | E. 2,062,310<br>Brit. Hond. 692,547<br>Brit. W. Afr. 356,979 | | | Honduras ..... 206,102<br>Mexico ..... 664,705<br>Cuba ..... 338,996 |
| Cabinet Woods, all Other.... | 1,441,541 | England .... | E. 470,385<br>Jap. 139,012 | | | Brazil ..... 112,668 |
| Logs or Round Timber..... | 1,506,235 | Canada ..... | C. 1,355,507 | | | Mexico ..... 63,622 |
| Rattans or Reeds..... | 1,404,121 | Sts. Settlmts. | Str. Settlmts. 635,968 | G. | 355,704 | |
| Lumber, Boards, Planks, etc.. | 18,907,345 | Canada ..... | C. 17,972,172 | | | |
| Lumber, Laths ..... | 1,905,254 | Canada ..... | C. 1,895,390 | | | |
| Lumber, Shingles ..... | 1,399,751 | Canada ..... | C. 1,399,751 | | | |
| Wood Pulp ..... | 2,685,687 | Canada ..... | C. 2,569,328 | | | |
| Wood Pulp, Chemical, Unbleached ..... | 8,504,238 | Sweden ..... | C. 859,555 | G. | 1,818,503 | Norway ..... 1,642,285<br>Sweden ..... 3,770,560 |
| Wood Pulp, Chem., Bleached. | 3,430,612 | Norway .... | | G. | 758,265 | Norway ..... 2,050,794<br>Sweden ..... 542,075 |

| Description of Goods | Total Imports | Principal Supplier | Supplied by Allied Group | Supplied by Central Group | Principal Neutral Source of Supply |
|---|---|---|---|---|---|
| Wool, Clothing | 15,422,920 | England | E. 6,829,223<br>Australia 1,515,905<br>N. Zealand 1,500,098 | | Argentina 4,814,413<br>Uruguay 615,541 |
| Wool, Combing | 4,266,237 | England | E. 3,370,537 | | Peru 292,518 |
| Wool, Carpet | 15,890,576 | China | F. 673,706<br>Rus. in Eur. 2,603,902<br>E. 3,586,462 | Turkey in Asia 1,183,294 | Argentina 278,016<br>China 4,721,949 |
| Zinc in Blocks or Pigs | 1,525,688 | Germany | B. 394,954<br>E. 128,817 | G. 884,262 | |



## II.—FOODSTUFFS, ETC.

| | | | | | |
|---|---|---|---|---|---|
| Corn (1914) | 7,598,702 | Argentina | | | Argentina 7,598,702 |
| Sago, etc. | 2,187,217 | Dutch Indies | Str. Settlmts. 662,501 | | Dutch Indies 1,326,218 |
| Macaroni | 4,943,624 | Italy | I. 4,692,648<br>F. 167,418 | | |
| Rice, Cleaned | 1,203,005 | China | Hongkong 100,220 | | China 820,009 |
| Uncleaned | 1,900,081 | Japan | Jap. 1,788,279 | | |
| Flour | 2,813,778 | Germany | E. 248,288 | G. 1,442,282 | Netherlands 570,006 |
| Vanilla Beans | 2,641,573 | Mexico | F. 616,223<br>Fr. Oceania 570,202 | | Mexico 1,327,331 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Cocoa | 17,389,042 | Trinidad and Tobago | P. 2,962,644<br>E. 1,538,225<br>Trinidad & Tobago 3,496,424 | Dominica | 3,068,655 |
| | | | | Brazil | 1,642,774 |
| | | | | Ecuador | 1,606,203 |
| Coffee | 118,963,209 | Brazil | F. 854,478 | Brazil | 87,867,451 |
| | | | | Colombia | 11,728,459 |
| Fish, Fresh | 2,331,822 | Canada | C. 2,262,153 | | |
| Haddock, Cured | 1,646,073 | Canada | C. 1,168,005<br>Newfndld. 254,085 | Norway | 186,881 |
| Fish, Pickled in Oil | 2,664,130 | Norway | F. 634,162<br>I. 154,451<br>P. 477,310 | Norway | 1,199,850 |
| Herring, Cured | 2,498,135 | England | E. 933,691 | Norway | 253,608 |
| | | | | Netherlands | 884,064 |
| Bananas | 14,484,258 | Jamaica | Jamaica 3,488,498 | Costa Rica | 2,744,813 |
| | | | | Honduras | 2,435,006 |
| | | | | Panama | 2,082,502 |
| Currants | 1,306,410 | Greece | | Greece | 1,291,575 |
| Grapes | 1,359,415 | Spain | | Spain | 1,285,203 |
| Lemons | 4,300,206 | Italy | I. 4,238,136 | | |
| Olives | 1,896,982 | Spain | | Spain | 1,431,680 |
| | | | | Greece | 381,761 |
| Pineapples | 1,319,006 | Cuba | | Cuba | 1,214,148 |
| Almonds, Shelled | 3,137,104 | Spain | I. 1,342,195 | Spain | 1,452,400 |
| Cocoanuts | 1,781,377 | Jamaica | Jamaica 274,208<br>Trinidad & Tobago 593,060 | Honduras | 295,199 |
| | | | | Panama | 244,905 |

| Description of Goods | Total Imports | Principal Supplier | Supplied by Allied Group | Supplied by Central Group | Principal Neutral Source of Supply |
|---|---|---|---|---|---|
| Cocoanut Meal ..... | 1,531,820 | Philippines . | | | Philippines ..... 1,046,937 |
| Walnuts, not Shelled..... | 1,293,720 | France ..... | F. 851,520<br>I. 317,216 | | |
| Walnuts, Shelled ..... | 2,206,261 | France ..... | F. 2,082,672 | | |
| Hay ..... | 1,514,311 | Canada .... | C. 1,500,641 | | |
| Cheese and Substitutes..... | 9,185,184 | Italy ..... | I. 4,217,674<br>F. 785,965 | | Switzerland ..... 3,183,350 |
| Cream ..... | 1,068,109 | Canada .... | C. 1,067,544 | | |
| Cocoanut Butter ..... | 4,183,036 | Brit. E. Ind. | Br. E. Indies 1,876,928<br>E. 1,052,581 | | |
| Chinese Nut Oil..... | 2,733,884 | China ..... | | | China ..... 2,658,664 |
| Olive Oil ..... | 6,739,172 | Italy ..... | I. 4,619,156<br>F. 1,465,635 | | Spain ..... 334,531 |
| Palm Oil ..... | 3,351,868 | England .... | E. 2,476,406 | G. 865,850 | |
| Palm Kernel ..... | 1,868,658 | Germany ... | E. 289,978 | G. 1,507,214 | |
| Pepper, Unground ..... | 2,852,665 | Sts. Settlement | F. 215,011<br>E. 118,743<br>Str. Set. 1,276,224 | | Dutch E. Indies.. 258,385 |
| Malt Liquors in Bottles or Jugs ..... | 1,372,823 | England .... | E. 1,294,203 | G. 36,779 | Sweden ..... 21,351 |
| Same in Other Coverings..... | 1,917,442 | Austria .... | E. 451,330 | A. 978,414<br>G. 472,702 | |
| Brandy ..... | 1,647,277 | France ..... | F. 1,434,780 | | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Cordials Liqueurs ..... | 1,233,700 | France ..... | F. 475,998<br>I. 324,038<br>Trinidad 53,806 | G. | 123,248 | | |
| Whisky ..... | 3,153,640 | England .... | E. 2,328,504<br>C. 811,715 | | | | |
| Sparkling Wines ..... | 4,636,191 | France ..... | F. 4,027,922<br>E. 429,842 | G. | 140,360 | | |
| Still Wines in Casks..... | 2,718,045 | Italy ..... | F. 149,703<br>I. 799,370<br>Portugal 138,962<br>Jap. 324,220 | G. | 417,025 | Spain ..... | 773,587 |
| Same in Other Coverings..... | 2,724,871 | France ..... | F. 994,884<br>I. 688,099 | G. | 669,904 | Spain ..... | 126,564 |
| Mineral Waters ..... | 1,008,127 | France ..... | F. 511,267 | G. | 316,018 | | |
| Molasses ..... | 1,456,350 | Cuba ..... | Barbados 257,358 | | | Cuba ..... | 1,091,444 |
| Beet Sugar ..... | 4,169,523 | Germany ... | | G. | 2,873,750<br>A. 285,161 | | |
| Cane Sugar ..... | 94,700,155 | Cuba ..... | | | | Cuba ..... | 93,703,674 |
| Cane Sugar from Philippines. | | | | | | Philippines ..... | 4,593,199 |
| Tea ..... | 17,433,688 | Japan ..... | E. 3,619,098<br>C. 874,544<br>Brit. Ind. & other Brit. possessions 1,675,554<br>Jap. 7,793,197 | | | China ..... | 3,247,761 |
| Tobacco, Leaf Suitable for Wrappers ..... | 8,242,212 | Netherlands | | | | Netherlands ..... | 8,038,779 |
| | | | | | | Cuba ..... | 131,065 |

| Description of Goods | Total Imports | Principal Supplier | Supplied by Allied Group | | Supplied by Central Group | | Principal Neutral Source of Supply | |
|---|---|---|---|---|---|---|---|---|
| Other Tobacco Leaf..... | 27,676,867 | Cuba ..... | | | G. | 746,740 | Greece ..... | 343,045 |
| | | | | | Turkey in Eur. | 5,317,855 | Cuba ..... | 16,164,795 |
| | | | | | Turkey in Asia | 4,768,853 | | |
| Cigars ..... | 4,011,370 | Cuba ..... | | | | | Cuba ..... | 3,996,410 |
| Beans ..... | 1,938,105 | Aust.-Hung... | F. | 393,078 | A. | 550,348 | Mexico ..... | 65,646 |
| | | | I. | 239,573 | G. | 106,083 | | |
| | | | E. | 244,863 | | | | |
| | | | Jap. | 166,184 | | | | |
| Dried Peas ..... | 1,835,775 | Mexico ..... | C. | 149,827 | G. | 470,400 | Mexico ..... | 968,568 |
| Mushrooms and Truffles..... | 1,172,376 | France ..... | F. | 842,586 | | | | |
| | | | R. | 101,393 | | | | |
| | | | Jap. | 116,174 | | | | |
| Pickles and Sauces..... | 1,123,108 | Italy ..... | I. | 509,837 | | | | |
| | | | E. | 207,587 | | | | |
| | | | Jap. | 281,057 | | | | |
| Vegetables in Their Natural State ..... | 1,410,354 | Germany'... | B. | 102,559 | G. | 257,730 | Mexico ..... | 109,770 |
| | | | I. | 211,152 | | | Cuba ..... | 131,909 |
| | | | C. | 211,205 | | | | |
| | | | Bermuda | 115,526 | | | | |
| **III.—MANUFACTURES.** | | | | | | | | |
| Beads and Ornaments..... | 1,878,651 | Germany ... | F. | 521,292 | G. | 908,179 | | |
| | | | | | A. | 394,438 | | |
| Brushes ..... | 2,080,863 | France ..... | F. | 753,029 | G. | 423,189 | | |
| | | | E. | 264,004 | | | | |
| | | | Jap. | 604,490 | | | | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Automobiles ..... | 1,759,380 | France ..... | F. | 844,392 | G. | 261,168 | | |
| Medical Preparations ..... | 1,621,520 | Germany ... | F. | 275,328 | G. | 622,272 | Switzerland ..... | 145,492 |
| | | | E. | 369,771 | | | | |
| Cotton Thread ..... | 4,449,254 | England .... | E. | 3,754,209 | G. | 488,961 | Switzerland ..... | 184,173 |
| Cloth, Bleached ..... | 2,131,127 | England .... | E. | 1,108,801 | | | Switzerland ..... | 162,558 |
| | | | F. | 775,127 | | | | |
| Cloth, Dyed ..... | 5,107,156 | England .... | E. | 3,473,294 | G. | 340,195 | | |
| | | | F. | 939,340 | | | | |
| | | | Jap. | 222,304 | | | | |
| Laces ..... | 16,981,019 | England .... | E. | 7,254,319 | G. | 3,705,988 | Switzerland ..... | 615,799 |
| | | | F. | 6,645,889 | | | | |
| Embroideries ..... | 12,065,684 | Switzerland. | F. | 614,066 | G. | 971,592 | Switzerland ..... | 8,211,217 |
| | | | Jap. | 356,049 | | | | |
| Plushes, Velvets, etc..... | 2,576,440 | England .... | E. | 1,525,400 | G. | 845,768 | | |
| | | | F. | 167,973 | | | | |
| Stockings, etc. ..... | 2,763,844 | Germany ... | | | G. | 2,631,218 | | |
| China, not Decorated..... | 1,101,402 | Germany ... | E. | 238,083 | G. | 508,001 | | |
| | | | F. | 226,523 | A. | 117,346 | | |
| China, Decorated ..... | 8,556,176 | Germany ... | E. | 1,909,756 | G. | 3,235,517 | | |
| | | | F. | 1,470,520 | A. | 534,425 | | |
| | | | Jap. | 1,192,163 | | | | |
| Ostrich Feathers, Dressed.... | 6,252,298 | England .... | E. | 3,706,610 | | | | |
| | | | S. Africa | 2,471,602 | | | | |
| Bags of Jute..... | 4,268,388 | Brit. India.. | Brit. India | 3,606,994 | | | | |
| | | | E. | 648,676 | | | | |
| Burlaps ..... | 37,773,846 | Brit. India.. | E. | 6,444,561 | | | | |
| | | | Brit. India | 31,118,939 | | | | |
| | | | B. | 148,442 | | | | |

| Description of Goods | Total Imports | Principal Supplier | Supplied by Allied Group | | Supplied by Central Group | | Principal Neutral Source of Supply | |
|---|---|---|---|---|---|---|---|---|
| Linens | 22,397,005 | England | E.<br>F.<br>B. | 16,562,533<br>1,218,941<br>1,991,258 | G.<br>A. | 2,168,312<br>391,367 | | |
| Linen Handkerchiefs | 2,067,412 | England | E.<br>F. | 1,855,212<br>84,633 | | | Switzerland | 85,493 |
| Linen Lace | 3,744,467 | Japan | F.<br>E.<br>Jap. | 589,353<br>563,507<br>1,620,830 | G.<br>A. | 938,689<br>227,614 | Azores | 177,925 |
| Glassware, Cut | 1,032,948 | Germany | B.<br>E. | 141,436<br>107,416 | G.<br>A. | 332,809<br>299,978 | | |
| Gold and Silver Goods | 1,381,985 | France | F.<br>E. | 681,349<br>167,705 | G. | 415,516 | Switzerland | 58,639 |
| Straw Hats | 4,089,439 | Japan | Jap.<br>I.<br>F.<br>E. | 1,134,350<br>539,280<br>266,197<br>284,344 | | | Mexico<br>Colombia<br>Dutch Indies | 269,178<br>834,978<br>249,959 |
| India Rubber Goods | 1,217,236 | Germany | F.<br>E. | 202,214<br>317,354 | G. | 531,971 | | |
| Anti-friction Balls and Bearings | 2,410,861 | Germany | | | G. | 1,793,697 | Sweden | 244,367 |
| Machinery | 7,407,103 | Germany | E. | 1,662,372 | G. | 5,073,250 | | |
| Wire and Articles made from Wire | 1,174,331 | England | E. | 794,357 | G. | 297,791 | | |
| Gloves | 7,691,927 | Germany | F.<br>E.<br>I. | 3,097,824<br>738,540<br>287,618 | G. | 3,295,695 | | |
| Matting | 1,651,813 | Japan | Jap. | 806,607 | | | China | 704,845 |
| Musical Instruments and Parts | 1,787,293 | Germany | F. | 271,804 | G.<br>A. | 1,257,074<br>151,389 | | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Linoleum ..... | 1,804,056 | England .... | E. | 1,213,459 | G. | 557,992 | | |
| Paints and Colors..... | 2,144,074 | Germany ... | F. | 255,610 | G. | 970,497 | | |
| | | | E. | 581,518 | | | | |
| Paper and Mnfrs. of Paper... | 3,908,233 | England .... | F. | 370,456 | G. | 1,029,991 | | |
| | | | E. | 1,709,552 | | | | |
| Books, etc. ..... | 2,647,333 | England .... | E. | 1,771,143 | G. | 395,387 | | |
| Lithographic Labels ..... | 1,798,283 | Germany ... | E. | 268,113 | G. | 1,401,707 | | |
| Paper Hanging ..... | 1,035,718 | Germany ... | E. | 237,395 | G. | 646,358 | | |
| | | | Jap. | 104,712 | | | | |
| Photograph Paper ..... | 1,238,642 | Germany ... | F. | 363,964 | G. | 649,822 | | |
| | | | B. | 149,772 | | | | |
| Printing Paper, not above 2½ cards per pound..... | 5,681,109 | Canada ..... | Canada | 5,646,289 | | | | |
| Perfumeries ..... | 1,873,585 | France ..... | F. | 1,686,320 | | | | |
| Silk Fabrics, Dyed in the Thread ..... | 1,860,076 | France ..... | F. | 660,826 | G. | 139,214 | Switzerland ..... | 658,426 |
| | | | I. | 198,576 | | | | |
| Same all Other..... | 5,740,502 | France ..... | F. | 3,404,528 | | | | |
| | | | Jap. | 1,910,283 | | | | |
| Silk Laces and Embroideries. | 3,825,421 | France ..... | F. | 2,995,308 | | | | |
| | | | E. | 283,993 | | | | |
| | | | Jap. | 274,274 | | | | |
| Silk Plushes and Velvets..... | 3,463,588 | France ..... | F. | 2,262,418 | G. | 789,060 | | |
| Spun Silk ..... | 6,383,872 | France ..... | F. | 2,143,866 | G. | 1,199,126 | Switzerland ..... | 1,462,961 |
| | | | E. | 907,475 | | | | |
| Silk Weaving Apparel..... | 4,107,840 | France ..... | F. | 2,519,123 | G. | 342,013 | | |
| | | | E. | 452,293 | | | | |
| | | | Jap. | 509,072 | | | | |

| Description of Goods | Total Imports | Principal Supplier | Supplied by Allied Group | | Supplied by Central Group | | Principal Neutral Source of Supply | |
|---|---|---|---|---|---|---|---|---|
| Silk Yarns and Thread..... | 2,385,350 | England .... | E.<br>B.<br>F. | 870,334<br>278,032<br>358,446 | G. | 591,995 | Switzerland ..... | 156,265 |
| Manufacturers of Straw..... | 1,174,317 | Japan ..... | Jap.<br>Hongkong | 885,280<br>52,209 | | | | |
| Dolls ..... | 1,563,184 | Germany ... | F. | 8,776 | G. | 1,537,964 | | |
| Toys ..... | 6,372,371 | Germany ... | F.<br>E.<br>Jap. | 156,216<br>286,757<br>301,249 | A.<br>G. | 178,662<br>5,362,810 | | |
| Manufactures of Wood..... | 3,014,009 | Germany ... | F.<br>I.<br>E.<br>Jap. | 285,241<br>406,852<br>316,588<br>599,757 | A.<br>G. | 193,269<br>799,129 | | |
| Carpets and Carpeting..... | 4,895,989 | Persia ..... | E.<br>F. | 496,796<br>214,661 | T. | 1,459,823 | Persia ..... | 1,836,738 |
| Woolen Cloths ..... | 4,888,447 | England .... | E.<br>B.<br>F. | 2,890,276<br>617,599<br>317,280 | G. | 940,906 | | |
| Woolen Dress Goods, Women and Children ..... | 3,321,626 | England .... | E.<br>F. | 1,922,749<br>811,733 | G. | 521,141 | | |
| Woolen Wearing Apparel.... | 2,158,384 | England .... | E.<br>F. | 933,675<br>472,596 | G. | 528,956 | Switzerland ..... | 105,348 |

# Exports

## The following list shows the markets of leading American commodities having an export value of over $2,000,000 during the fiscal year 1913.

### I.—RAW MATERIALS AND MANUFACTURES FOR FURTHER USE IN MANUFACTURING.

The fact that the name of a special country is not mentioned does not necessarily mean that nothing is imported from that source. Space does not permit enumeration of **all** sources of supply of articles vastly imported from many countries. But the principal sources are always given.

| Description of Goods | Total Export | Principal Market | Supplied to Allied Group | Supplied to Central Group | Principal Neutral Market | |
|---|---|---|---|---|---|---|
| Old Brass | $2,157,805 | England | E. $1,022,758<br>C. 342,853 | G. $496,287 | | |
| Coal, Anthracite | 24,523,800 | Canada | C. 24,124,759 | | Cuba | $187,719 |
| Bituminous | 40,573,421 | Canada | I. 925,011<br>C. 29,136,271 | | Panama<br>Mexico<br>Cuba<br>Brazil | 1,305,866<br>2,246,660<br>3,419,939<br>727,341 |
| Coke | 3,318,437 | Canada | C. 2,419,390 | | Mexico | 653,288 |
| Copper Ore, Melts and Regulus | 2,958,790 | Mexico | | | Mexico | 2,762,109 |
| Pigs, Ingots, etc. | 120,665,914 | Germany | B. 1,298,046<br>F. 19,441,497<br>I. 7,373,427<br>E. 16,207,215<br>C. 741,409 | A. 6,125,555<br>G. 41,019,098 | Netherlands<br>Sweden | 25,760,699<br>1,471,885 |
| Plates and Sheets | 10,028,960 | Germany | F. 1,596,591<br>C. 850,939 | G. 4,707,728 | Netherlands | 2,174,931 |
| Cotton, Upland and Others | 546,278,921 | England | B. 13,079,483<br>F. 63,676,149<br>I. 30,169,663<br>R. 4,523,929<br>E. 224,216,128<br>C. 8,975,431<br>Jap. 25,022,050 | A. 6,941,999<br>G. 144,139,247 | Spain<br>Sweden<br>Mexico | 19,211,308<br>2,599,323<br>1,348,485 |

| Description of Goods | Total Export | Principal Market | Supplied to Allied Group | Supplied to Central Group | Principal Neutral Market |
|---|---|---|---|---|---|
| Waste Cotton ..... | 4,449,481 | England .... | B. 402,446<br>E. 2,007,519<br>C. 541,296 | G. 1,003,260 | |
| Phosphate Rock, high grade.. | 4,942,000 | England .... | E. 384,730 | A. 366,799<br>G. 2,594,210 | Netherlands ..... 766,300 |
| Land Pebble ..... | 4,577,962 | England .... | B. 641,985<br>F. 674,284<br>I. 451,160<br>E. 794,011<br>Jap. 404,352 | G. 607,224 | Netherlands ..... 451,558 |
| Furs, except Sealskins..... | 17,276,203 | England .... | F. 1,054,228<br>E. 7,117,936<br>C. 2,767,546 | G. 6,184,160 | |
| Glucose ..... | 3,682,371 | England .... | E. 2,670,645<br>Australia 245,407 | | Argentina ..... 155,304 |
| Lubricating Grease ..... | 2,339,015 | England .... | E. 792,721<br>C. 218,168<br>Australia 107,051 | G. 139,652 | Netherlands ..... 216,379<br>Argentina ..... 101,487 |
| Soap Stock, etc..... | 4,844,342 | England .... | B. 433,007<br>F. 281,197<br>I. 585,365<br>E. 1,294,362<br>C. 969,097 | G. 281,455 | Netherlands ..... 540,506<br>Cuba ..... 314,078 |
| Cattle Skins ..... | 2,589,603 | Japan ..... | F. 126,554<br>C. 1,798,911<br>Jap. 248,857 | G. 196,920 | Netherlands ..... 119,571 |
| Pig Iron ..... | 4,141,210 | Canada .... | I. 296,967<br>E. 361,739<br>C. 3,124,550 | | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Billets, Ingots and Blooms of Steel | 5,335,028 | England | E. | 3,465,719 | | | | |
| | | | C. | 1,865,120 | | | | |
| Sole Leather | 8,804,955 | England | E. | 7,185,405 | | | | |
| | | | Jap. | 609,184 | | | | |
| | | | B. | 420,716 | | | | |
| Upper Leather, Calf | 2,392,861 | Germany | E. | 471,688 | G. | 502,483 | Brazil | 144,407 |
| | | | C. | 148,252 | | | | |
| | | | F. | 251,564 | | | | |
| Same, Glazed Kid | 19,573,569 | England | F. | 696,535 | G. | 2,969,038 | Denmark | 565,583 |
| | | | R. | 803,561 | | | Netherlands | 1,745,197 |
| | | | E. | 6,963,804 | | | Argentina | 1,413,190 |
| | | | Australia | 507,635 | | | | |
| Rosin | 17,359,145 | Germany | B. | 792,669 | A. | 510,225 | Netherlands | 1,381,710 |
| | | | I. | 708,542 | G. | 4,929,162 | Argentina | 892,332 |
| | | | R. | 784,398 | | | Brazil | 1,212,539 |
| | | | E. | 3,844,072 | | | | |
| | | | C. | 643,758 | | | | |
| Spirits of Turpentine | 8,794,656 | England | B. | 748,284 | G. | 1,515,468 | Netherlands | 1,718,862 |
| | | | E. | 3,057,468 | | | | |
| | | | C. | 444,427 | | | | |
| Nickel, Nickel Oxide and Matte | 9,275,714 | England | F. | 1,577,500 | | | Netherlands | 2,812,300 |
| | | | E. | 3,300,500 | | | | |
| Cotton Seed | 15,225,798 | Denmark | E. | 2,085,293 | G. | 5,151,018 | Denmark | 5,610,934 |
| Linseed or Flaxseed | 12,982,423 | Germany | B. | 4,942,352 | G. | 6,214,375 | | |
| | | | F. | 786,566 | | | | |
| | | | . | 822,317 | | | | |
| Mineral Oils, Crude | 7,750,767 | Canada | F. | 1,520,846 | | | Spain | 944,755 |
| | | | C. | 3,612,278 | | | Mexico | 590,098 |

| Description of Goods | Total Export | Principal Market | Supplied to Allied Group | Supplied to Central Group | Principal Neutral Market |
|---|---|---|---|---|---|
| Illuminating Oil ..... | 66,189,265 | England..... | B. 3,085,534<br>F. 3,184,231<br>I. 1,297,062<br>E. 8,503,633<br>C. 1,039,475<br>Br. India 2,079,517<br>Dutch Indies 1,079,218<br>Jap. 4,618,890<br>Australia 1,948,473<br>Br. S. Africa 1,045,849 | G. 5,261,483 | Denmark ..... 1,599,550<br>Netherlands ..... 6,604,092<br>Sweden ..... 1,785,605<br>Argentina ..... 2,217,028<br>Brazil ..... 2,837,707<br>China ..... 5,761,597<br>Philippines ..... 1.197,619 |
| Lubricating Oil ..... | 29,574,410 | England .... | B. 1,894,374<br>F. 3,317,071<br>I. 1,030,335<br>E. 7,436,930<br>C. 1,055,544<br>Br. India 1,111,928 | G. 3,509,465 | Netherlands ..... 1,616,218<br>Argentina ..... 1,075,342 |
| Gasoline ..... | 10,831,490 | Canada .... | E. 897,446<br>C. 6,063,226 | | Netherlands ..... 510,389<br>Brazil ..... 1,234,374 |
| Gas and Fuel Oil..... | 8,305,715 | England .... | E. 3,707,454<br>C. 1,773,705 | | Chile ..... 923,801 |
| Cotton Seed Oil..... | | | F. 1,190,543<br>I. 2,580,847<br>E. 2,215,641<br>C. 1,411,260 | G. 808,511<br>T. 845,852 | Netherlands ..... 4,916,034<br>Argentina ..... 1,027,093 |
| Paraffin and Paraffin Wax... | 9,679,273 | England .... | I. 834,154<br>E. 3,918,127 | G. 633,953 | Netherlands ..... 425,294<br>Spain ..... 481,413<br>Mexico ..... 829,653 |
| Starch ..... | 2,609,716 | England .... | E. 1,796,356 | | Netherlands ..... 286,433 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Sawed Pitch, Pine..... | 9,516,618 | England .... | F. 761,663<br>I. 849,600<br>E. 4,287,526 | G. | 523,306 | Netherlands ..... | 1,158,907 |
| Boards, etc., of Fir..... | 8,650,747 | Australia ... | C. 1,931,485<br>Australia 2,291,296 | | | Chile ..... | 776,626 |
| | | | | | | Peru ..... | 602.407 |
| | | | | | | China ..... | 964,194 |
| Boards, etc., of Gum..... | 2,580,286 | England .... | B. 274,443<br>E. 1,133,777<br>J. 301,071 | | | | |
| Boards, etc., of Oak..... | 13,377,912 | England .... | B. 1,214,853<br>E. 7,358,417<br>C. 2,877,282 | G. | 415,926 | Netherlands ..... | 407,210 |
| Boards, etc., of Pine, Yellow, pitch ..... | 18,596,796 | Argentina .. | B. 839,622<br>E. 1,230,460<br>C. 1,705,818 | G. | 1,238,598 | Netherlands ..... | 2,120,669 |
| | | | | | | Cuba ..... | 1,011,660 |
| | | | | | | Argentina ..... | 4,133,397 |
| | | | | | | Brazil ..... | 1,437,870 |
| Railroad Ties ..... | 2,616,563 | Canada .... | C. 1,643,303 | | | Mexico ..... | 399,660 |
| Staves ..... | 7,325,535 | England .... | F. 1,357,518<br>I. 510,030<br>P. 652,192<br>E. 2,714,822 | | | Netherlands ..... | 692,987 |
| | | | | | | Spain ..... | 906,736 |

## II.—FOODSTUFFS AND ANIMALS

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Horses ..... | 3,960,102 | Canada .... | C. 3,298,054 | | | | |
| Barley ..... | 11,411,819 | England .... | E. 5,254,918 | G. | 4,220,154 | | |
| Bran, Middlings and Mill-feed ..... | 4,226,173 | Germany.... | | G. | 3,750,110 | Netherlands ..... | 155,272 |
| Corn ..... | 28,800,544 | England .... | E. 8,652,721<br>C. 4,766,805 | G. | 3,696,182 | Denmark ..... | 3,021,673 |
| | | | | | | Netherlands ..... | 4,071,068 |
| | | | | | | Cuba ..... | 1,696,821 |

| Description of Goods | Total Export | Principal Market | Supplied to Allied Group | Supplied to Central Group | Principal Neutral Market | |
|---|---|---|---|---|---|---|
| Dried Grains and Malt Sprouts | 2,061,540 | Germany ... | | A. 511,618<br>G. 913,810 | Netherlands ..... | 606,933 |
| Mill Feed | 4,180,132 | Germany ... | | G. 3,672,825 | Netherlands ..... | 225,995 |
| Oats | 13,206,247 | England .... | B. 1,777,990<br>E. 3,742,547 | G. 1,278,628 | Netherlands ..... | 3,844,702 |
| Preparations of Breadstuffs for Table Food | 2,358,864 | England .... | E. 538,381<br>C. 496,460 | | Mexico ..... | 83,179 |
| Wheat | 89,036,428 | England .... | B. 10,402,577<br>4,994,638<br>7,419,597<br>E. 29,647,560<br>Fr. Africa 1,818,314 | G. 11,950,009 | Netherlands ..... | 14,805,115 |
| Wheat Flour | 53,171,537 | England..... | Finland 2,060,268<br>E. 11,989,155<br>amaica 1,158,022<br>Hongkong 5,126,960<br>Jap. 3,383,842 | | Denmark .....<br>Netherlands .....<br>Norway .....<br>Cuba .....<br>Haiti .....<br>Brazil .....<br>Venezuela .....<br>Philippines ..... | 1,236,242<br>4,279,394<br>1,360,988<br>4,311,027<br>1,459,768<br>3,105,239<br>1,002,563<br>1,485,195 |
| Coffee, Green or Raw | 8,679,422 | Cuba ..... | F. 1,232,511 | A. 808,292 | Spain .....<br>Cuba ..... | 1,642,128<br>3,781,104 |
| Eggs | 4,391,653 | Canada .... | C. 2,746,091 | | Cuba ..... | 1,225,679 |
| Canned Salmon | 5,103,340 | England .... | E. 2,677,959<br>Australia 764,379 | | Philippines ..... | 590,128 |
| Other Salmon than Canned... | 2,122,566 | Germany ... | | G. 1,857,500 | | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Apples, Dried | 2,898,211 | Germany | B. | 162,939 | G. | 1,207,705 | Netherlands | 890,673 |
| Apples, Green or Ripe | 7,898,634 | England | E. | 5,051,227 | G. | 1,208,833 | | |
| | | | C. | 913,506 | | | | |
| Apricots, Dried | 3,513,473 | England | F. | 415,597 | G. | 860,568 | Netherlands | 404,559 |
| | | | E. | 1,322,496 | | | | |
| Oranges | 2,976,520 | Canada | C. | 2,837,507 | | | | |
| Prunes | 6,655,870 | Germany | B. | 405,642 | G. | 2,110,413 | Netherlands | 1,108,447 |
| | | | F. | 830,263 | | | | |
| | | | E. | 629,692 | | | | |
| | | | C. | 488,566 | | | | |
| Canned Fruits | 5,599,373 | England | F. | 103,630 | S. | 147,766 | Cuba | 127,624 |
| | | | E. | 3,892,646 | | | | |
| | | | C. | 569,540 | | | | |
| Hops | 4,764,763 | England | E. | 4,237,619 | | | | |
| | | | C. | 244,098 | | | | |
| | | | Australia | 216,878 | | | | |
| Beef Products, Pickled | 2,489,965 | England | E. | 594,217 | G. | 303,120 | | |
| | | | Newf'dland | 332,347 | | | | |
| Oleo Oil | 10,866,253 | Netherlands | E. | 964,101 | G. | 2,054,694 | Netherlands | 5,392,489 |
| | | | | | | | Norway | 754,728 |
| Bacon | 25,647,167 | England | B. | 1,280,658 | G. | 429,029 | Cuba | 804,616 |
| | | | I. | 1,310,269 | | | Netherlands | 906,263 |
| | | | E. | 17,758,929 | | | | |
| | | | C. | 1,007,014 | | | | |
| Hams or Shoulders, Cured | 21,641,386 | England | B. | 792,214 | | | Cuba | 936,058 |
| | | | E. | 17,773,973 | | | | |
| | | | C. | 1,046,349 | | | | |
| Lard | 58,187,336 | England | B. | 2,074,640 | G. | 18,079,275 | Netherlands | 4,940,671 |
| | | | F. | 1,807,530 | | | Mexico | 977,313 |
| | | | E. | 18,796,802 | | | Cuba | 5,181,445 |
| | | | C. | 1,251,425 | | | | |

| Description of Goods | Total Export | Principal Market | Supplied to Allied Group | Supplied to Central Group | Principal Neutral Market |
|---|---|---|---|---|---|
| Neutral Lard | 5,129,899 | Netherlands.. | | G. 1,078,006 | Netherlands ..... 3,090,156 |
| Pickled Pork | 5,699,136 | England .... | E. 1,688,301<br>C. 943,999 | | Cuba ..... 943,303 |
| Lard, Compounds and Substitutes | 5,915,759 | Cuba ..... | E. 1,822,631 | | Mexico ..... 363,945<br>Cuba ..... 1,475,220<br>Philippines ..... 350,066<br>Salvador ..... 363,045 |
| Sausage Casings | 3,901,428 | Germany ... | E. 534,582 | G. 1,329,516 | Netherlands ..... 1,012,380 |
| Leaf Tobacco | 49,202,456 | England .... | E. 1,036,274<br>F. 4,815,201<br>I. 5,825,768<br>E. 17,555,759<br>C. 2,709,030<br>Australia 3,058,334 | G. 3,619,786 | Netherlands ..... 2,416,467<br>Spain ..... 1,620,379<br>China ..... 1,066,828 |

## III.—MANUFACTURED GOODS

| | | | | | |
|---|---|---|---|---|---|
| Agricultural Machinery—<br>Mowers and Reapers | 20,567,107 | Russia ..... | F. 2,998,500<br>R. 6,675,915<br>R. in Asia 264,457<br>C. 509,142 | A. 1,291,248<br>G. 3,054,803 | Argentina ..... 1,650,688 |
| Planters and Seeders | 1,314,874 | Canada .... | C. 465,187 | | Argentina ..... 323,164 |
| Plows | 7,659,278 | Canada .... | F. 220,623<br>R. 914,965<br>C. 1,926,897<br>Br. S. Africa 486,673 | A. 202,140<br>G. 212,585 | Mexico ..... 219,120<br>Argentina ..... 1,755,705<br>Uruguay ..... 242,706 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Threshers | 4,805,594 | Canada | C. 2,538,068 | G. | 260,915 | Argentina | 1,318,397 |
| All Other | 5,478,751 | Canada | R.i.E. 497,201<br>C. 1,399,156<br>Br. S. Africa 279,339 | | | Mexico<br>Argentina | 257,109<br>1,346,554 |
| Articles made from Brass | 5,219,205 | Canada | E. 641,459<br>C. 3,211,018 | G. | 156,254 | Cuba | 274,408 |
| Passenger Automobiles | 24,275,793 | Canada | F. 615,086<br>E. 3,007,427<br>C. 8,229,324<br>Australia 1,895,990<br>Br. S. Africa 1,157,895 | G. | 764,380 | Argentina<br>Brazil | 1,181,735<br>1,035,247 |
| Automobile Parts | 5,240,599 | Canada | E. 924,802<br>C. 3,104,097 | | | | |
| Cars for Steam Railways (not Passenger) | 7,983,215 | Canada | C. 4,091,579 | | | Cuba<br>Argentina | 724,427<br>1,701,152 |
| Cars (for other Railways) | 5,633,668 | Brazil | C. 686,094<br>Australia 128,948 | | | Mexico<br>Cuba<br>Brazil<br>China | 217,331<br>777,417<br>2,915,976<br>151,527 |
| Hydraulic Cement | 5,822,107 | Panama | C. 1,580,506 | | | Panama<br>Cuba<br>Brazil | 1,848,805<br>942,508<br>398,116 |
| Acetate of Lime | 2,221,427 | Belgium | B. 753,709<br>Jap. 226,643 | G. | 666,405 | Netherlands | 355,637 |
| Patent and Proprietary Medicines | 7,110,493 | England | E. 1,615,545<br>Br. India 355,650<br>Australia 390,194 | | | Mexico<br>Cuba<br>Argentina<br>Brazil | 590,632<br>511,742<br>456,016<br>404,344 |

| Description of Goods | Total Export | Principal Market | Supplied to Allied Group | Supplied to Central Group | Principal Neutral Market |
|---|---|---|---|---|---|
| Copper, Rods and Wires..... | 7,217,166 | Canada .... | E. 931,294<br>C. 5,001,885 | G. 159,483 | Netherlands ..... 261,646<br>Cuba ..... 202,396<br>Brazil ..... 349,113 |
| Manufactures of Cotton..... | 14,928,599 | China ..... | E. 256,553<br>Aden 1,433,113<br>Br. E. Africa 796,221 | | Cuba ..... 321,245<br>Chile ..... 537,105<br>Colombia ..... 379,919<br>China ..... 5,373,877<br>Philippines ..... 500,873 |
| Cotton Cloths, Bleached..... | 3,161,526 | Philippines . | C. 479,962 | | Cuba ..... 206,141<br>Philippines ..... 1,260,253 |
| Cotton Cloths, Colored..... | 12.578,109 | Philippines . | C. 1,289,564 | | Cuba ..... 1,064,908<br>Haiti ..... 1,243,064<br>Colombia ..... 905,706<br>Philippines ..... 4,016,150 |
| Corsets ..... | 2,233,653 | England .... | E. 585,148<br>C. 561,756<br>Australia 437,703<br>N. Zealand 113,160 | | |
| Cotton Knit Goods..... | 2,613,806 | England .... | E. 1,041,498<br>C. 396,879 | | Cuba ..... 185,441<br>China ..... 120,330 |
| Weaving Apparel from Cotton, not Specially Designated | 6,211,724 | Canada .... | E. 222.105<br>C. 2,569,381 | | Panama ..... 498,673<br>Mexico ..... 363.787<br>Philippines ..... 419,469 |
| Dental Goods ..... | 2,694,550 | Germany ... | F. 451.340<br>E. 630,515<br>C. 265,178 | G. 634,283 | Brazil ..... 227,961 |
| Dynamos and Generators.... | 2,773,407 | Japan ..... | E. 347,835<br>Jap. 848,357<br>Australia 117,577 | | Panama ..... 121,554<br>Mexico ..... 166,776<br>Cuba ..... 122,172<br>Brazil ..... 114,455<br>Peru ..... 108,816 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Electric Motors ..... | 3,797,917 | Canada .... | E. 129,912<br>C. 1,033,197<br>Jap. 399,393<br>Australia 264,449 | | | Panama ..... 233,336<br>Mexico ..... 440,727<br>Brazil ..... 271,798 |
| General Electrical Material, not Specified ..... | 17,447,061 | Canada .... | F. 212,333<br>E. 760,511<br>C. 5,967,964<br>Brit. India 317,266<br>Jap. 1,067,246<br>Australia 671,730<br>Brit. S. Africa 270,891 | G. | 148,315 | Spain ..... 307,480<br>Panama ..... 1,012,046<br>Mexico ..... 1,152,677<br>Cuba ..... 610,135<br>Argentina ..... 362,142<br>Brazil ..... 2,374,890<br>Peru ..... 168,824<br>Philippines ..... 344,070 |
| Twine ..... | 7,856,250 | Argentina .. | F. 736,363<br>R. 1,328,491<br>E. 525,768<br>C. 1,992,763 | A. | 338,824 | Argentina ..... 1,928,006 |
| Glassware ..... | 2,892,124 | Canada .... | E. 316,665<br>C. 1,293,016 | G. | 134,716 | Mexico ..... 204,692 |
| India Rubber, Belting, Hose, etc. ..... | 2,605,551 | Canada .... | E. 249,029<br>C. 472,645<br>Australia 186,603<br>S. Africa 171,998 | | | Panama ..... 182,671<br>Mexico ..... 438,885<br>Cuba ..... 156,069 |
| Tires for Automobiles..... | 3,943,220 | Canada .... | E. 1,125,718<br>C. 1,324,459 | | | Mexico ..... 203,883 |
| Manufactures ..... | 3,913,036 | Canada .... | F. 140,077<br>E. 1,042,223<br>C. 1,159,955 | G. | 376,890 | Cuba ..... 144,000<br>Philippines ..... 118,005 |
| Wire Rods ..... | 2,178,669 | Canada .... | C. 2,134,198 | | | |

| Description of Goods | Total Export | Principal Market | Supplied to Allied Group | Supplied to Central Group | Principal Neutral Market |
|---|---|---|---|---|---|
| Iron Hinges, etc..... | 4,670,526 | Canada .... | F. 119,184<br>E. 289,347<br>C. 1,712,768<br>Brit. India 116,120<br>Australia 159,348 | | Mexico ..... 244,350<br>Cuba ..... 103,775<br>Argentina ..... 151,640<br>Brazil ..... 207,588 |
| Iron Castings ..... | 3,564,014 | Canada .... | E. 282,861<br>C. 1,656,680 | | Panama ..... 1,106,304 |
| Firearms ..... | 3,971,872 | Philippines . | Australia 249,303 | | Venezuela ..... 100,790<br>Philippines ..... 482,736 |
| Cash Registers ..... | 4,309,148 | Germany ... | R. 246,814<br>E. 520,309<br>C. 124,133<br>Australia 178,382 | G. 1,189,447 | Sweden ..... 116,002<br>Argentina ..... 260,526<br>Brazil ..... 364,641 |
| Internal Combustion Engines, Stationary ..... | 2,876,536 | Canada .... | C. 1,269,428 | | Argentina ..... 334,342<br>Australia ..... 340,533 |
| Same, Traction ..... | 5,177,495 | Canada .... | R. 249,242<br>C. 3,675,691 | G. 368,756<br>A. 164,578 | Argentina ..... 328,701 |
| Steam Locomotives ..... | 6,442,674 | Brazil ..... | C. 1,182,993<br>Jap. 1,302,346 | | Cuba ..... 382,206<br>Brazil ..... 2,310,853<br>Chile ..... 202,753<br>Philippines ..... 468,058 |
| Metal Working Machinery.... | 16,097,315 | England .... | B. 786,679<br>F. 1,936,908<br>I. 437,910<br>R. 1,088,751<br>E. 3,517,655<br>C. 2,326,270<br>Australia 406,093 | A. 600,593<br>G. 3,157,188 | Netherlands ..... 260,893<br>Sweden ..... 241,373<br>Brazil ..... 346,187 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Mining Machinery ..... | 10,041,432 | Canada .... | F. 534,600<br>R. 430,588<br>E. 549,973<br>C. 2,223,659<br>Jap. 384,229<br>Australia 395,751<br>S. Africa 872,408 | | | Mexico ..... | 1,671,724 |
| | | | | | | Brazil ..... | 285,119 |
| | | | | | | Peru ..... | 258,870 |
| Printing Presses ..... | 2,561,887 | Canada .... | E. 287,685<br>C. 920,522<br>Australia 244,048<br>F. 103,444 | G. | 183,698 | Mexico ..... | 105,593 |
| | | | | | | Brazil ..... | 100,186 |
| Pumps or Pumping Machinery | 4,023,650 | Canada .... | F. 121,762<br>R. 124,685<br>E. 453,743<br>C. 878,431 | | | Mexico ..... | 409,899 |
| | | | | | | Cuba ..... | 359,452 |
| | | | | | | Argentina ..... | 182,780 |
| | | | | | | Brazil ..... | 120,456 |
| Sewing Machines ..... | 11,573,746 | England .... | R. 765,756<br>E. 3,016,898<br>C. 527,726<br>Jap. 306,161<br>Australia 373,405 | G. | 758,215 | Netherlands ..... | 200,833 |
| | | | | | | Mexico ..... | 712,655 |
| | | | | | | Cuba ..... | 398,692 |
| | | | | | | Argentina ..... | 880,141 |
| | | | | | | Brazil ..... | 1,677,141 |
| | | | | | | Colombia ..... | 202,045 |
| | | | | | | Philippines ..... | 227,466 |
| Sugar Mill Machinery..... | 2,889,055 | Cuba ..... | | | | Cuba ..... | 1,382,959 |
| | | | | | | Santo Domingo ... | 624,562 |
| Typewriting Machines ..... | 11,532,364 | England .... | F. 1,217,646<br>I. 437,584<br>R. 871,400<br>E. 2,572,130<br>C. 954,904<br>Australia 391,254 | A.<br>G. | 433,335<br>1,185,403 | Argentina ..... | 355,320 |
| | | | | | | Brazil ..... | 351,640 |

| Description of Goods | Total Export | Principal Market | Supplied to Allied Group | Supplied to Central Group | Principal Neutral Market | |
|---|---|---|---|---|---|---|
| Wire | 2,521,550 | China | E. 378,148<br>Br. India 268,128<br>Jap. 352,262 | | China | 401,116 |
| Pipes or Fittings | 16,761,540 | Canada | B. 1,101,411<br>C. 4,175,057<br>Jap. 1,663,951 | | Roumania<br>Mexico<br>Cuba | 1,166,128<br>2,295,851<br>1,021,391 |
| Rails for Railways | 13,429,311 | Canada | C. 3,980,657<br>Jap. 1,267,264<br>Australia 1,793,234 | | Cuba<br>Brazil | 949,870<br>1,031,884 |
| Railway Track Material | 2,806,242 | Canada | C. 732,617<br>Australia 206,383 | | Mexico<br>Cuba<br>Brazil | 354,579<br>204,881<br>388,143 |
| Galvanized Iron Sheets | 7,652,956 | Canada | C. 2,428,687<br>Jap. 393,093<br>Australia 503,273 | | Salvador<br>Cuba<br>Argentina<br>Chile<br>Philippines | 622,790<br>362,127<br>513,586<br>337,075<br>521,523 |
| Steel Plates | 9,239,10[illegible] | Canada | C. 6,706,433<br>Jap. 618,628<br>Australia 517,039 | | | |
| Steel Sheets | 5,368,957 | Canada | C. 3,916,764 | | Chile | 750,000 |
| Stoves, Ranges, etc. | 2,146,192 | Canada | C. 1,314,725 | | Salvador<br>Argentina | 106,259<br>95,652 |
| Structural Iron and Steel | 16,054,788 | Canada | C. 9,242,288<br>Jap. 646,622<br>Australia 441,049 | | Spain<br>Panama<br>Mexico<br>Cuba<br>Brazil | 296,496<br>2,543,036<br>441,757<br>723,794<br>467,922 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Tin Plates, etc..... | 5,767,043 | Canada .... | C. | 4,065,672 | | | Cuba ..... | 194,371 |
| | | | | | | | Argentina ..... | 247,646 |
| | | | | | | | Brazil ..... | 217,139 |
| Tools ..... | 9,089,922 | Canada .... | F. | 455,176 | G. | 607,430 | Mexico ..... | 417,002 |
| | | | E. | 128,616 | | | Argentina ..... | 415,074 |
| | | | C. | 1,866,713 | | | Brazil ..... | 519,749 |
| | | | Australia | 613,821 | | | | |
| Barbed Wire ..... | 4,499,508 | Brazil ..... | C. | 656,185 | | | Mexico ..... | 381,401 |
| | | | S. Africa | 659,190 | | | Argentina ..... | 321,893 |
| | | | | | | | Brazil ..... | 794,825 |
| Lamps, etc. ..... | 3,170,233 | Canada .... | C. | 946,482 | | | Mexico ..... | 153,226 |
| | | | Brit. India | 417,443 | | | Argentina ..... | 161,108 |
| | | | E. | 185,999 | | | | |
| Boots or Shoes for Men..... | 11,255,708 | Cuba ..... | E. | 782,715 | G. | 1,031,338 | Mexico ..... | 1,387,108 |
| | | | C. | 1,290,311 | | | Cuba ..... | 1,965,201 |
| Same for Women..... | 5,493,880 | Canada .... | E. | 527,970 | G. | 195,050 | Mexico ..... | 492,787 |
| | | | C. | 1,676,222 | A. | 136,159 | Cuba ..... | 1,113,704 |
| Books, Music, Maps, etc..... | 10,092,716 | Canada .... | E. | 1,639,816 | G. | 217,612 | Cuba ..... | 237,482 |
| | | | C. | 5,083,345 | | | Brazil ..... | 280,304 |
| | | | Australia | 302,692 | | | Chile ..... | 269,879 |
| | | | | | | | China ..... | 441,898 |
| News Print Paper..... | 2,450,520 | Australia .. | Australia | 795,983 | | | Cuba ..... | 208,201 |
| | | | | | | | Argentina ..... | 709,010 |
| Phonographs, etc. ..... | 2,805,978 | Canada .... | E. | 693,691 | | | Argentina ..... | 338,557 |
| | | | C. | 755,021 | | | | |
| Motion Picture Films, Exposed | 2,276,460 | England .... | E. | 1,231,659 | | | | |
| | | | C. | 712,980 | | | | |
| | | | Australia | 112,474 | | | | |

| Description of Goods | Total Export | Principal Market | Supplied to Allied Group | Supplied to Central Group | Principal Neutral Market |
|---|---|---|---|---|---|
| Manufactures of Silk..... | 2,390,858 | Canada .... | F. 105,851<br>E. 199,660<br>C. 1,354,223<br>Australia 112,576 | | Mexico ..... 139,058<br>Cuba ..... 139,286 |
| Toilet Soap ..... | 2,132,663 | England .... | E. 444,641<br>C. 274,657<br>Australia 227,397 | | Argentina ..... 263,740 |
| Other Soap ..... | 2,496,904 | England .... | E. 630,186<br>C. 559,324 | | Panama ..... 149,818<br>Haiti ..... 442,669<br>Philippines ..... 143,578 |
| Cigarettes ..... | 2,954,159 | Sts. Settlement | Str. Setlmts. 1,289,157 | | China ..... 1,020,161 |
| Furniture ..... | 7,295,256 | Canada .... | E. 606,153<br>C. 1,877,478 | | Mexico ..... 536,294<br>Cuba ..... 926,587<br>Argentina ..... 778,404 |
| Wearing Apparel of Wool.... | 2,460,326 | Canada..... | C. 1,456,950 | | Mexico ..... 402,803 |

# APPENDIX A

The National Foreign Trade Council, at its Third Annual Meeting in New York City, September 21, 1916, adopted the following Resolution:

"WHEREAS, The United States offers, normally, a steadily increasing market for the products of countries which require a foreign supply of articles which are produced in the United States and its possessions, and

*"Whereas,* The extension of the foreign trade of the United States, as a safeguard against domestic depression largely depends upon favorable tariff treatment of American exports and their freedom from foreign discrimination in favor of like products of competing nations, and

*"Whereas,* As a result of the European war European Economic Alliances have been formed and are proposed, which by establishing tariff preferences among their members, would discriminate against neutrals, and

*"Whereas,* Approximately three-fourths of normal American foreign trade is with the belligerents, whose commercial treaties regulating tariff relations will be revised after the war, and cannot escape the effect of far-reaching changes of tariff policy on their part, especially since all European governments, except the British, maintain tariffs devised for concessions or retaliation in the interest of foreign trade and a possibility exists of the establishment of a tariff in the United Kingdom affording a basis for preferential agreements with markets whose needs the United States desires more largely to supply, and

*"Whereas,* American labor and producers are entitled to every resource of government policy necessary to preserve and extend their share of foreign markets in return for the market here afforded foreign products; therefore, be it.

*"Resolved,* That the National Foreign Trade Council bring urgently to the attention of the President, the Congress and the Tariff Commission, when organized, the necessity that the American tariff system, whatever be its underlying principle, shall possess adequate resources for the encouragement of the foreign trade of the United States by commercial treaties or agreements or executive concessions within defined limits and its protection from undue discrimination in the markets of the world. And be it further

*"Resolved,* That the National Foreign Trade Council continue its investigation of the effect of European Economic Alliances upon the foreign commerce of the United States, and related subjects, with a view of placing its findings before the United States Tariff Commission when organized, or before the President or Congress, as may be deemed expedient, and that the Council co-operate with other organizations in the interest of a better public understanding of the foreign trade aspect of the tariff problem."

# OTHER PUBLICATIONS BY THE NATIONAL FOREIGN TRADE COUNCIL

*Proceedings of the First National Foreign Trade Convention, 1914, containing*

"The Future Foreign Trade," by James J. Hill;
"Ocean Transportation," by P. A. S. Franklin, Vice-President of the International Mercantile Marine Company;
"The Relation of the Merchant to Export and Import Trade," by George L. Duval;
"Foreign Trade as Affected by the Sherman Law," by John D. Ryan, President of the Anaconda Copper Mining Company;
"Foreign Trade and Foreign Loans," by Willard Straight, Vice-President of the American International Corporation;
"The Panama Canal and Latin American Trade Possibilities," by Edward N. Hurley.

*Price . . . . . $1.50*

*Proceedings of the Second National Foreign Trade Convention, 1915, containing addresses by*

Alba B. Johnson, President, Baldwin Locomotive Works;
Hon. W. C. Redfield, Secretary of Commerce;
"The Problems of War and Commerce," by Hon. John Bassett Moore;
"Government Regulation of Commerce as Affecting Foreign Trade," by W. L. Saunders, Chairman of the Board of the Ingersoll-Rand Company, New York;
"Problems of the Smaller Manufacturer and Merchant in the Development of Foreign Trade," by William C. Downs, United States Commercial Attache for Brazil; and Mr. H. C. Lewis, Manager, National Paper & Type Company;
"The War and American Foreign Trade," by James A. Farrell, President, United States Steel Corporation.

*Price . . . . . $1.50*

*Proceedings of the Third National Foreign Trade Convention, 1916, containing*

"World Trade Conditions After the European War," by Alba B. Johnson, President, Baldwin Locomotive Works;
"Foreign Investment of American Capital as an Aid to Our Foreign Trade," by James A. Farrell, President, United States Steel Corporation;
"Relation of the Tariff to World Trade Conditions After the War," by Willard Straight, Vice-President, American International Corporation;
"The Problem of Anti-Dumping Legislation," by Henry C. Emery, former Chairman United States Tariff Board;
"Necessity for an American Dye Stuffs Industry to Aid Export Trade in Textiles," by Henry Howard, President, Merrimac Chemical Company, Boston;
"Commercial Education for Foreign Trade," by Wallace D. Simmons, President, Simmons Hardware Company, St. Louis;
"The Government and the Shipping Problem," by Hon. Edwin F. Sweet, Assistant Secretary of Commerce of the United States;
"The Development of a National Shipping Policy," by Captain Robert Dollar, San Francisco;
"Export Co-operation to Meet World Trade Conditions After the War," by M. A. Oudin, Manager Foreign Department of the General Electric Company;
"Export Trade and the Anti-Trust Laws," by Gilbert H. Montague, New York City;
"Organization and Management of Foreign Selling Forces," by T. W. Van, Koken Barber Supply Company, St. Louis;
"Relations of American Railroads to the Development of Foreign Trade," by Fairfax Harrison, President Southern Railway Company;
"Some Elements of National Foreign Trade Policy," by Frank A. Vanderlip, President National City Bank, New York;
"Co-operation in Foreign Trade," by Hon. Joseph E. Davies, Chairman Federal Trade Commission.

*Price . . . . . $1.50*

"National Foreign Trade" (monthly), the official bulletin of the Council.
*Free to persons with a direct interest in foreign trade.*

*"Ocean Shipping,"* The Basic Principles of Marine Transportation with Particular Reference to the Foreign Trade of the United States.
*Free to persons having a direct interest in foreign trade.*

Statement of the National Foreign Trade Council on the Government Shipping Bill of 1916.
*Free.*

Report of the Committee on Co-operation in Foreign Trade of the National Foreign Trade Council on the Webb Bill authorizing combinations for export trade.
*Free.*

"South American Handbook." A compilation of information and statistics regarding the public indebtedness, foreign commerce and railway development of the South American Republics.

*Price . . . . . $.25*

*International Commercial Policies After the European War.* A study of the proposed European Economic Alliance and its effect upon the United States.
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